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U.S. Summit Goal Is 'Convergence' on Economy, Aide Says

By William J. Eaton
and George Skelton
New York Times Service

WASHINGTON — The United States will seek a "convergence of economies" at the seven-nation economic summit in Versailles early next month with the hope of forging a lasting recovery from global recession, according to Donald T. Regan, the Treasury secretary.

Mr. Regan, who reported at the weekend to President Reagan on a series of international economic meetings held last week in Helsinki,

The risks of isolation are dampening growth prospects. Page 11.

ki, said he expected broad cooperation at the summit meeting despite dismay abroad over high U.S. interest rates and budget deficits.

During his travels, Mr. Regan forecast a decline in interest rates in the United States as well as a weaker dollar in coming months, which he said should help achieve a world comeback from a period of low growth and heavy unemployment.

"We found among the summit countries a better understanding of the United States, its current economic situation and its political



EEC Extends Sanctions for 7 Days As Britain Hardens Falklands Stand

UN Delegate In 'One More' Try at Talks

By R.W. Apple Jr.
New York Times Service

LONDON — Prime Minister Margaret Thatcher said Monday that "we have gone as far as we can" in negotiations with Argentina over the Falkland Islands.

Britain's chief delegate to the United Nations, Sir Anthony Parsons, returned to New York Monday to have "one more go" at persuading the Argentines to pull out of the islands on Britain's terms, the prime minister said in a radio interview. She added that "we shall know this week whether we are going to get a peaceful settlement or not."

A senior government official said that Sir Anthony had been told to restate Britain's terms to Javier Pérez de Cuellar, the UN secretary-general, and report his response in time for Tuesday's Cabinet meeting. The Cabinet would then be prepared to allot only 24 hours more for negotiations, the official said, before ordering "a major military operation" — presumably a series of landings in the Falklands.

Allowing for some slippage and for the vagaries of the South Atlantic weather, it appeared that the British were thinking in terms of an attack sometime toward the end of this week if diplomatic efforts proved unavailing.

Reportedly Pessimistic

Mrs. Thatcher was reported by a member of her staff to be highly pessimistic about the possibilities of a last-minute breakthrough at the United Nations. He said she expected Mr. Pérez de Cuellar's peace initiative to collapse by the middle of this week. And she herself commented in the interview that "if Argentina really wanted to withdraw, and obey the Security Council resolution, we should have seen some sign of it by now."

The government believes that Argentina is deliberately stalling, hoping that Britain will gradually lose its stomach for battle.

"We have gone as far as we can," the prime minister declared. "They are the invader. They are the aggressor. We are the aggrieved. It is up to them. If the Argentines had really wanted a peaceful settlement, they would have taken more steps than they have done."

Asked about the prospect of heavy British losses in a campaign to retake the islands, Mrs. Thatcher told Peter Allen, the interviewer:

"You cannot fight these battles without taking casualties. That problem I live with every hour of the day and every hour of the night. But there are British people

— with something like 9,000 or 10,000 soldiers — on the islands, and they look to us for help."

With every indication that time for diplomacy was rapidly slipping away, the prime minister met Monday morning with her inner "war" Cabinet.

She has told her ministers to be prepared for an emergency meeting of the full Cabinet on Tuesday.

A government spokesman confirmed the existence of the study without going into its details.

The study recommended that the government risk a conflict not only with the United States but also with a more independent line on East-West relations but also with Foreign Minister Hans-Dietrich Genscher, the leader of the Free Democratic Party, which is the coalition partner of Mr. Schmidt's Social Democrats.

The study said that West Germans want the government to act as a mediator between the United States and the Soviet Union "even if this causes resentment in the United States."

It said conservative forces in Britain and the United States are endangering détente and that if they prevail, there will be a revival of the Cold War.

(Continued on Page 2, Col. 5)



President Leopoldo Galtieri, left, and Adm. Jorge Anaya, commander in chief of the navy, at a Mass Monday on Argentina's Navy Day that was attended by all members of the ruling junta.

Call Rejected For Another Month's Ban

LEXEMBOURG — The European Economic Community agreed after a long debate Monday night to continue trade sanctions against Argentina over its seizure of the Falkland Islands for the next seven days.

The seven-day limit was imposed by the 10 Common Market nations despite strong British appeals that ban on Argentine imports, originally due to expire at midnight Monday, should be extended for a further month.

A British spokesman said that Ireland and Italy, which had expressed strong reservations over extending the sanctions, finally agreed but on a different legal basis from the other EEC nations.

"The essential point is that the community is united on the point that, at least for the next seven days, there will be no imports from Argentina," said Nicholas Fenn, a spokesman for the British Foreign Office.

The import ban was first imposed soon after Argentina seized the Falkland Islands from Britain on April 2.

The 10 EEC foreign ministers agreed to extend the ban with slightly more than a half-hour to go before the original sanctions were due to expire.

The ban affects Argentine exports worth about \$2 billion a year.

Asked to comment on the short duration of the renewed ban, Mr. Fenn said: "It's a great deal better than nothing."

Italy's agreement to the extension followed intense late-night consultations between Foreign Minister Emilio Colombo in Luxembourg and Premier Giovanni Spadolini in Rome.

Mr. Fenn said that eight countries would extend the trade ban under Article 113 of the EEC founding treaty, which provides for unified external trade regulations.

Italy and Ireland agreed to be bound by Article 225, which aims at coordinating trade to avoid market actions that might distort market conditions.

The foreign ministers had failed in two hours of talks earlier Monday to agree on a formula to keep the total import ban in force.

Mr. Colombo had told other ministers that his government could not take part in renewing the sanctions because of strong public opposition to them in Italy, officials said.

The French external relations minister, Claude Cheysson, said (Continued on Page 2, Col. 6)

sources in the various delegations said it was erroneous to assume that the dispute in the South Atlantic had dominated the meeting.

Instead, these sources insisted, the ministers had spent most of the day discussing a broad range of problems confronting the West, from Poland to the Iranian-Iraqi war, and had put perhaps their greatest emphasis on how to deal with East-West tensions.

The interest shown in arms-reduction talks indicated that a major shift had taken place in the thinking of NATO governments, particularly that of the United States, since the last meeting of alliance foreign ministers in January.

That was an extraordinary session called in Brussels to plot alliance strategy for putting pressure on the Soviet Union in the wake of the military crackdown in Poland.

U.S. Shift Indicated

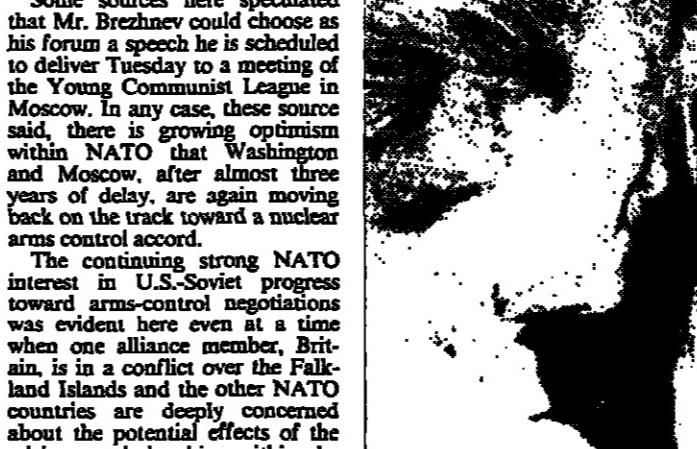
Monday, sources at the meeting here said, most ministers continued to deploy the Polish situation. But they acknowledged, there will be no follow-through on the threat of sanctions made in January. By putting its emphasis in the East-West arena on arms-reduction talks, NATO appears to be moving away from confrontation and at least partly back in the direction of détente.

That seemed to indicate a shift away from the hard-line approach being advocated by the Reagan administration only a short time ago.

Instead, the alliance now appears headed more in the direction espoused by such members as West Germany, which had been uncomfortable with the idea of a slowdown over Poland and which has argued for continuing to seek areas of accommodation with the Soviet Union.

U.S. Officials are reluctant to characterize current policy as a softening of the administration's stance. But, in his presentation to the meeting Monday, Mr. Haig is known to have stressed that Mr. Reagan is ready to negotiate with the Russians in good faith and is anxious to hear Mr. Brezhnev's counter proposals to his Eureka speech so that negotiations can begin as soon as possible.

According to the sources, Mr. Haig also emphasized U.S. willingness to have negotiations that would be equitable to both sides and that would take into account Soviet concerns about including Cruise missiles and long-range bombers in any reductions.



Grand Duchess Charlotte talked with British Foreign Secretary Francis Pym, center, and Secretary of State Alexander M. Haig Jr., in Luxembourg for a meeting of NATO foreign ministers.

Egyptian-Israeli Talks Expected Soon by U.S.

By Bernard Gwertzman
New York Times Service

LUXEMBOURG — U.S. officials say that they expect negotiations on Palestinian self-rule to resume soon after President Reagan confers with Prime Minister Menachem Begin of Israel next month.

The negotiations have been blocked by Mr. Begin's insistence that Egypt accept Jerusalem as a rotating site for the talks and Egypt's reluctance to seem to give implicit recognition of Jerusalem as Israel's capital. Cairo is trying to restore relations with other Arab states in the aftermath of Egypt's recovery of the remaining parts of the Sinai from Israel last month.

Neutral Site

The U.S. assessment that the problems can be resolved and probably will be during Mr. Reagan's session with Mr. Begin was made known Sunday after Secretary of State Alexander M. Haig Jr. received a briefing in Athens from Richard Fairbanks, his special Middle East representative, who was in Cairo and Jerusalem last week.

SUPERCLARK? — Five months after becoming President Reagan's security adviser, William Clark has damped the disagreements that marred much of administration policy. But the National Security Council staff that he heads is still viewed by many as the weakest in many years. Page 3.

KING HASSAN — Morocco's King Hassan II says that while he would not hesitate to sign a treaty with the United States, Morocco "always will be non-aligned." Page 5.

NAZI RECRUTS — The U.S. government, for intelligence purposes, reportedly recruited hundreds of Russians believed to have committed World War II atrocities and smuggled them into the United States after the war. Page 3.

INSIDE

SUPERCLARK? — Five months after becoming President Reagan's security adviser, William Clark has damped the disagreements that marred much of administration policy. But the National Security Council staff that he heads is still viewed by many as the weakest in many years. Page 3.

KING HASSAN — Even as the Pentagon is embarking on the biggest shipbuilding program since World War II, its weapons chiefs are closing in on a series of anti-ship weapons that could doom surface vessels in a war.

Satellites that could see through clouds would find the ships; long-range bombers would fly to the general area; anti-ship missiles far more deadly than those being used today around the Falklands would steer themselves onto the targets.

Although this might sound like some Pentagon planner's dream, the various parts of that combination are already in hand or close by, forcing a question upon decision-makers: Why let the Navy keep building billion-dollar ships that can be sunk by million-dollar missiles? Navy leaders are aware of the contradiction, and apprehensive about it. But they want the ships, the costliest part of the rearmament program

President Reagan has approved for the next several years.

The Pentagon already has done considerable paperwork on a satellite with radar eyes that, regardless of the weather, could eat out the profiles of ships sailing the world's oceans. Part of the study was done under a project called Clipper Bow.

Russians Have Version

Although the ocean satellite is still on paper, Pentagon officials say there are no insurmountable technical obstacles. The Soviet Union already has a crude version of the ocean surveillance satellite that the Pentagon has been studying. The Soviet one relies on radioisotopes to generate the power needed to send radar beams down on the ocean. Pentagon research executives believe they could do the job better with land-based aircraft for covering the sea lanes that is the United States.

The bomber part of the anti-ship combination is in hand. The Air Force, with the full blessing

of Pentagon civilians, is studying how to make its B-52G bombers ship killers. Even more lethal in the anti-ship role, according to defense officials, would be the radar-elusive B-1 and Stealth bombers scheduled to be ready for duty in the late 1980s and early 1990s.

Bombers have such long range that they can reach the crucial sea-lanes even from the comparatively few land bases the United States still has around the world. Gen. Lew Allen Jr., Air Force chief of staff, has reportedly been complaining that other nations are making better use of land-based aircraft for covering the sea lanes that is the United States.

Better Than the Exocet

His view is boosted in a secret document prepared for the Air Force, issued over the name of Defense Secretary Caspar W. Weinberger, that calls for more emphasis on the anti-ship mission. Pentagon civilians are considering putting new engines in B-52G bombers to give them even more range for patrolling the seas.

"Smart" missiles that can guide themselves to ships after being launched from aircraft are a reality, as dramatized recently by the French-made Exocet missile that destroyed the British vessel *Sheriff* after being fired from an Argentine plane. The United States, according to the Pentagon, has better missiles than the Exocet on the way.

One portrayed that way is the anti-ship version of the Tomahawk Cruise missile, the Merasmus, for medium range anti-ship missile. A B-2 could carry more than a dozen Merasmus and fire them while still more than 100 miles (160 kilometers) away from the ship. The Merasmus, once in the area, would home in on the heat generated by the vessel and deliver a 500-pound bomb on it.

All this potential for sinking surface ships is not good news for everybody in the Pentagon, however.

Navy leaders are well aware that they will be confronted with the question of the potential

vulnerability of their expensive new ships every time any element of the anti-ship combination shows its worth, as was the case with the Exocet against the *Sheriff*. But the restructuring seems to be under way by order of Pentagon civilians.

Richard D. DeLauer, undersecretary of defense for research and engineering, said his office is exploring how to exploit the potential of "all weather" satellites, Air Force bombers and anti-ship missiles for defending the U.S. fleet and attacking the Soviet one in wartime.

Although not willing to go along with those who say offensive weapons for sea warfare have got so far ahead of defensive weapons that surface ships will not be able to survive a war between modern navies, Mr. DeLauer said: "Survivability is a problem. There are two things that we should be looking at in all our systems: survivability and endurance. The surface fleet is terrific for force projection. But you want to be sure you get it survivable."

Pentagon's Problem: Million-Dollar Missiles vs. Billion-Dollar Ships

By George C. Wilson
Washington Post Service

WASHINGTON — Even as the Pentagon is embarking on the biggest shipbuilding program since World War II, its weapons chiefs are closing in on a series of anti-ship weapons that could doom surface vessels in a war.

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Peace Seen as Big Loser in Argentina's Propaganda War

By Margot Hornblower
Washington Post Service

BUENOS AIRES — A mysterious item appeared on the front page of La Razón, an afternoon newspaper here, on May 5. Headlined, "The Hermes Sunken?" the

NEWS ANALYSIS

story said that, according to the Soviet news agency Tass, the British aircraft carrier had been bombed and sunk by Argentine airplanes.

No official comment came from the junta. But in the press room of the Sheraton Hotel, an air force official confided, "We did it with a little Pucará plane that dropped six bombs and 32 rockets. We think the Hermes is severely damaged."

In the last two weeks, not a day has passed without speculation in the news media over the fate of the Hermes, the pride of the British Navy and flagship of its task force, with 1,350 men aboard. One paper indicates that Rear Adm. John F. (Sandy) Woodward, the task force commander, may be dead. Reports from Venezuela said the Hermes limping toward Curacao in the Caribbean for repairs.

In a government film shown on television last week, a raft and lifejackets imprinted "Hermes 554" were shown abandoned on the shore of the Falklands while a commentator asked breathlessly, "Is this a sign of the sinking of the Hermes?"

Britain has repeatedly labeled such reports "ridiculous," and British correspondents aboard the aircraft carrier, albeit under censorship rules, report nothing is amiss. But most Argentines, even nor-

Junta's Attempts to Manipulate Opinion Sow Confusion

many skeptical journalists, are convinced that the Hermes is disabled.

The conflicting reports are symptomatic of the confusion that reigns in this capital, more than 1,000 miles from the combat zone, where about 700 foreign correspondents have gathered to cover an invisible war.

A propaganda campaign whipped up by the junta, coupled with secrecy over what is actually happening in the Falklands, has blurred the lines between news and rumor, lending a surreal quality to the conflict as it is perceived in Argentina.

The military, which controls several major newspapers and all television stations, has sought to give the impression that Argentina is

winning. "Argentina to win!" radio announcers repeatedly shout as they harangue the public with patriotic exhortations and martial music. The cover of a leading magazine declares, "We are winning!"

A few weeks ago, the junta issued "self-censorship guidelines" stipulating that journalists would be jailed for publishing information that "produces panic," "contradicts or lessens the credibility of official information" or "undermines the belief in Argentine rights."

"Our own government is blocking itself through a complete lack of information," said Maximo

Gainza, editor of the prominent daily *La Prensa*. "No independent news organization has correspondents on the islands. The government news agency, Telam, sends trash. At least Goebbels called his operation the Ministry of Propaganda."

The government media campaign is seeking to reinforce the notion that Britain is the colonial aggressor. Prime Minister Margaret Thatcher was pictured last week in the tabloid *Tal Cual* dressed in a Nazi uniform under the headline, "Worse Than Hitler." Editorials emphasized that Argentina took the islands April 2 without bloodshed.

The almost complete inaccessibility of military officials to foreign journalists reduces many correspondents here, some of whom speak no Spanish, to glean their reports from translations of the "self-censored" Argentine newspapers.

One prominent Argentine reporter attributes "the exaggerated triumphalism" of the propaganda campaign to an effort by the military "to clean themselves after the dirty war." The "dirty war" is what people here call the government's *argentineros* campaign of the 1970s, in which an estimated 6,000 persons were abducted by plainclothesmen and vanished without a trace.

Argentines also point out that Britain, too, appears to be waging a psychological campaign in its often less-than-accurate reports. "Neither side has been very democratic about the handing of news," editorializes the English-language *Buenos Aires Herald*. The British, for example, repeatedly declined to comment on Argentina's claim that its troops had repulsed attempted helicopter landings on the Falklands.

Some Argentine newspapers have openly scorned the censorship guidelines. Nonetheless, Mr. Gainza said *La Prensa* was the only one refusing to carry a government advertisement bearing a thumbs-up fist labeled, "Argentina. We'll Conquer."

"This idea that we can win against the British and the U.S. is very dangerous," he said. "We need a cease-fire. Yet no one dares to stop the psychological warfare."

(Continued from Page 1)

Korchnoi's Son Is Released From Siberian Prison

United Press International

MOSCOW — The son of the self-taught chess grand master Viktor Korchnoi has been released from prison and is back in Leningrad, family sources said.

Igor Korchnoi, 23, was said to have been released from a prison camp in the Kurgan area of Siberia after serving a 2½-year jail term for refusing to be drafted into the Soviet Army. He reportedly had feared that contact with military sources would mean an automatic denial of permission to emigrate for at least 10 years.

"Now we apply to emigrate," said his mother, Bella, who met him at the camp and brought him home Friday. "He looks so so," she said. "He's so happy to be home that all that is beside the point." She said her husband called her from Switzerland and said he hoped they would be allowed to leave soon.

Viktor Korchnoi, 50, defected in 1976, leaving his wife and son behind. The Swiss government was said to have asked the Soviet authorities to allow the Korchnois to emigrate, but an earlier request for exit visas was rejected.

Mr. Korchnoi unsuccessfully challenged the world champion, Anatoly Karpov of the Soviet Union, in matches in 1978 and 1981.

British officials said that an offer made Sunday night of an \$800-million rebate to Britain from the EEC budget this year appears unacceptable.

In 1980, Britain got a refund of \$1.2 billion, cutting its own net payments to the EEC to \$340 million. For 1981 Britain got more than \$1.4 billion in refunds, mak-

ing a net profit from the EEC budget of nearly \$40 million.

The other EEC countries have said they now will go no further than \$800 million in cuts, even though Britain claims it could face a membership bill without refunds this year of between \$1.6 and \$1.8 billion.

(Continued from Page 1)

U.K. Hardens Its Position

United Press International

TAIPEI — A Chinese physicist who had been conducting research in the United States on an exchange program has defected to Taiwan, an official source said Monday.

The physicist, Hsu Chia-luang, taught at the China Science and Technology University in the province of Anhui before going to the United States more than a year ago in a scientific and cultural exchange program.

Mr. Hsu, in his early 50s, arrived in Taipei on Sunday from the United States with a friend, said the source, who asked not to be identified.

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(Continued from Page 1)

U.S. Cable TV Sex Raises Rights-Morals Issue

*By Bill Curry
Los Angeles Times Service*

YAKIMA, Wash. — The Rev. Bob Cochell, an evangelical minister, considers the new R-rated cable television channel heretical, degrading and immoral.

Chuck Nelson, the school board president, fears that it is undermining all the values schools are teaching in sex-education courses.

And Don Brule, who describes himself as a "concerned parent," is intent on getting new laws passed to rid Yakima and the state of Washington of indecency on cable television.

What is happening in Yakima is just part of the debate that is developing nationwide over so-called "cableporn."

In city halls and state capitals, there is growing opposition to the arrival of home television screens of nudity and scenes of simulated sex acts. Besides the emotional and political reaction that has been generated, the debate touches on First Amendment rights of cable subscribers to choose what they watch as well as the rights, if any, of this evolving medium.

"The extent to which cable is entitled to First Amendment rights has been decided," said Robert Roper, associated general counsel for the National Cable Television Association, an organization of

4,763 cable systems. "The problem here is not so much whether cable should be able to carry adult programming, but what are cable's First Amendment rights? The issue is whether a government may regulate program content on cable."

The cable systems would like to have the more wide-ranging rights that are accorded to newspapers and other publications, while their critics believe cable should be subjected to the tighter restrictions imposed on federally licensed radio and television stations.

The opposition to pornography on cable television is led by the New York-based organization Morality in Media, which is pushing so-called model legislation for states and localities to bar the showing of indecent programs on cable television.

Several states, among them California, Florida, Massachusetts, Arizona and New York, have considered but not yet adopted restrictions on adult programming on cable television.

The controversy over controlling cable has just reached Yakima, which now finds itself facing such issues as censorship and freedom of speech, immorality and protection of children.

Schools' Program

The school board's Mr. Nelson, who has heard children discussing the channel's movies, believes cable is undermining the Yakima schools' human growth and development program, a course in sex education developed over five years with the help of the church community, service clubs and women's groups.

"We got the blessing of everyone, and in my three years of teaching it, we've had no complaints," Mr. Nelson said. "Now Escapade destroys all of the values we're trying to teach. It shows the role of the female is that of a sex model for male enjoyment. It's totally con-

tradicatory to the values we're trying to teach. We think it destroys our programs."

But others are concerned about the impact that cable pornography has on adults, too.

"Biblically, we stand opposed to any kind of nudity and lewdness," said Mr. Cochell, the minister.

"It's a degrading thing. If it hasn't and it just lays the foundation for the next level. We have something we don't want, and we can't do anything about it. We're stuck."

Opponents of cable pornography are stuck because the city's lawyer has advised the Yakima City Council that, under current law, it has no power to regulate the content of cable programming.

Philosophy in Danger

"The thing that bothers me," said Mr. Brule, the father of four, "[is that] they're zeroing in on a complete philosophy that distorts life, and young people pick up on that. If this kind of philosophy continues, some of the values we hold so dear about marriage, home and family are going to have a hard time standing up."

But the efforts to curb Escapade also provoked an outburst from those opposed to censorship. "Personally, J.E. Winkenwerder wrote in a letter to the editor of the Yakima Herald-Republic, "I do not subscribe to the Escapade channel and I heartily agree that most of the offerings are trash, but I do not feel that I or anyone else have the right to impose my morals upon my neighbors."

Said Ken Schiller, the local cable manager: "I don't think any group — Housewives Against Sports, Moralists Against Escapade — should control what their neighbor sees, hears, thinks, does."

In the meantime, he said, the efforts to stop cable pornography have had one noticeable effect:

About 200 more viewers have signed up for Escapade.



The Argentine military censors released this photo of soldiers manning an anti-aircraft gun somewhere on one of the Falkland Islands recently. The exact location was not disclosed.

EEC Extends Trade Ban

(Continued from Page 1)

Senior Soviet Official Visits Poland

WARSAW — Konstantin V. Rusakov, the top Kremlin official for relations with Communist parties of the Eastern bloc, arrived Monday for talks with Polish leaders, the Polish news agency PAP reported.

A Western diplomat said it was Mr. Rusakov's second visit to Poland in six weeks. The trip followed outbreaks of street protests against martial law here, and a Western observer in Moscow said Mr. Rusakov was likely to be seeking a first-hand report on the violence.

Mr. Rusakov's last trip here was to southern Poland, according to the Western diplomat. PAP said Foreign Minister Józef Czyrek and other officials met the 72-year-old Central Committee secretary at the airport.

KGB Said to Detain French Reporter

MOSCOW — Vladimir Gedalgine, a correspondent for Agence France-Presse, has been refused permission to leave the Soviet Union pending further investigation into his activities, the AFP Moscow bureau said Monday. He was held by the KGB that he may be charged with espionage.

Anti-Soviet agitation and propaganda, the French news agency added.

AFP said that Mr. Gedalgine, 38, who arrived in Moscow last September, denied having been involved in any illegal activities. His agency said that his problem with the authorities stemmed from contacts he had with Victor Bourdouze, described as a Russian Orthodox believer.

According to the French agency, the KGB claimed that Mr. Bourdouze had been arrested and found to have a number of religious publications. The KGB alleged that Mr. Bourdouze said he received them from Mr. Gedalgine.

Filipinos Vote in Local Elections

MANILA — About 20 million Filipinos took part Monday in the first nationwide balloting in 10 years and officials said at least seven persons died in violence related to the elections.

Gen. Fidel Ramos, chief of the paramilitary Philippine Constabulary, said seven persons were fatally stabbed or shot and at least four were wounded. Gen. Ramos said troops, placed on alert Saturday, were in full combat readiness Monday night.

Voting in the nation's 41,492 barangays, which administer villages and districts, was generally peaceful and orderly. About 1 million candidates were running for local posts.

Dutch Official Warns of 'Insecurity'

THE HAGUE — The official asked to lead the Netherlands out of its current Cabinet crisis said Monday that "this country, financially speaking, is in a difficult situation and we cannot have insecurity for too long."

A source said that Piet Steenkamp, who has been named by Queen Beatrix to explore ways to form a new government, placed prime importance on the spring budget message. The message must reach parliament for enactment by July 1, the starting date for some of its fiscal programs.

Mr. Steenkamp is a former leader of the Christian Democrats, the senior partner in the outgoing coalition.

Meanwhile, the U.S. Embassy said that its ambassador, William Dye, had postponed indefinitely a talk on U.S.-Dutch relations at an Amsterdam university because of unsettled conditions in the city. Elaborate festivities to commemorate 200 years of unbroken diplomatic relations between the two countries have been marred by demonstrations, particularly in Amsterdam, against U.S. foreign and military policies.

Compiled From Agency Dispatches

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Clark, as Reagan's Security Aide, Stifles Administration Bickering

By Michael Geler
Washington Post Service

WASHINGTON — Five months after his appointment as President Reagan's national security adviser, William P. Clark has dampened the internal power struggles and policy disagreements that marred the Reagan administration during its first year.

Through a series of directives signed by his old friend, the president, the former California judge has also moved to force sometimes stubborn, inflexible Cabinet officers with conflicting views to provide more coherent plans for the years ahead.

The fact that he is faring so well is, in the view of experienced officials throughout the government, remarkable because Mr. Clark is the most independent person in foreign policy and security matters in two decades to hold this key position at the president's elbow. Moreover, the White House National Security Council staff that he heads is still viewed by a number of experienced officials as the weakest in many years.

In a sense, an official said, there is a "revolutionary experiment" going on. Mr. Clark, despite his lack of experience, is managing to be a powerful force for getting policy choices out of the bureaucracy and into the Oval Office on time and then making certain that the decisions are carried out. He has done this without impinging on Mr. Reagan's desire to have his Cabinet officers — not an all-powerful White House staff adviser — as the main shapers of administration policy.

That is something that Mr. Reagan wanted to do from the start but that did not work out with his first special assistant for national security affairs, Richard V. Allen.

Mr. Allen resigned under pressure in January following revelations that a \$1,000 honorarium from a Japanese journalist intended for the president's wife, Nancy, had remained in a safe in Mr. Allen's office. Mr. Allen was cleared of any wrongdoing, but it was clear that the president wanted a



William P. Clark

who worked on the National Security Council staff under Presidents Richard M. Nixon and Gerald R. Ford, then on the staff of the Senate Armed Services Committee, and after that, last year, as a State Department counselor under Mr. Haig.

Mr. McFarlane is described by one insider as "the substantive screen in front of the president."

"The bottom line about him," a colleague on the council staff said, "is that you can't snow him. If you are thinking of bamboozling Clark, forget it, because no paper is going to get to him without it going through McFarlane."

There are still big question marks, however.

The most immediate one is whether Mr. Clark and Mr. McFarlane can keep up what many officials say is a murderous pace and work load caused, in part, by Mr. Clark's lack of background and by weaknesses in parts of the staff.

Ultimately, the question is what advice Mr. Reagan will get in a crunch from the person closest to him. Will Mr. Clark become a much more powerful force than either he or the president now envision and thus possibly get in over his head in a situation that requires long experience?

"He's not like McGeorge Bundy, Henry Kissinger, Brent Scowcroft or Zbigniew Brzezinski," an official said, referring to the experienced security advisers who served presidents from John F. Kennedy through Jimmy Carter. "He can't just close the door behind him and do the work himself in an emergency."

Those earlier advisers, however, served presidents with intense interests in the details of foreign affairs, such as Mr. Nixon and Mr. Carter, or had big reputations and egos of their own and became powerful figures in their own right, such as Mr. Kissinger and Mr. Brzezinski.

But Mr. Clark has established himself quickly, through his own efforts and manner and his close personal relationship with the president.

U.S. Democrats Favor Kennedy In Gallup Poll

United Press International
NEW YORK — Sen. Edward M. Kennedy of Massachusetts is the Democrats' top choice for the 1984 presidential nomination, far outdistancing his nearest rivals, former Vice President Walter F. Mondale and former President Jimmy Carter, a new Census Bureau report on the 1980 election shows.

Drop in U.S. Voting Appears to Be Ending

By Spencer Rich
Washington Post Service

WASHINGTON — The downward trend in voting since 1964 appears to have reached its low point and stabilized, according to a new Census Bureau report on the 1980 election.

According to the report, 59.2 percent of those surveyed two weeks after the 1980 election said they had voted, the same figure as in 1976. Until then, voter participation, which was more than 69 percent in 1964, had been dropping steadily.

The survey also showed that the same percentage of men and women voted, a change from the past, when more men voted.

Except for these two changes, the survey primarily showed that past voting patterns continued in the 1980 election.

For whites, voter participation was 61 percent; for blacks, about 51 percent, and for Hispanic-Americans, about 30 percent.

White-collar workers had much higher participation rates, 71 percent, than farm workers, 60 percent, service workers, 51 percent, and blue-collar workers, 48 percent.

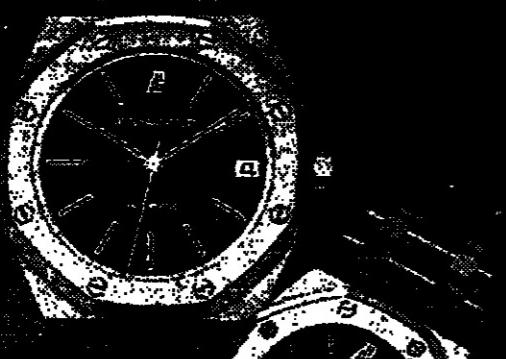
Although the overall voter participation rate was only 59.2 percent, the survey showed that of those who registered to vote nearly 90 percent voted.

East Germans Flee to West

Reuters

HANNOVER, West Germany — Two East Germans crossed the heavily fortified border near here during the night and escaped unharmed to West Germany, border guards said Monday.

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U.S. Reportedly Recruited War Criminals

Spy Agencies Allegedly Smuggled In Russians Who Had Helped Nazis

By Robert D. Hershey Jr.
New York Times Service

WASHINGTON — The U.S. government for intelligence purposes, recruited hundreds of Russians believed to have committed World War II atrocities and smuggled them into the United States after the war in defiance of presidential orders, according to a former Justice Department investigator.

The secret operation, the outgrowth of a sort of bidding war for intelligence that proved to be of little value, was later systematically covered up by various federal agencies, according to John Loftus, a former prosecutor for the Justice Department's office of special investigations. This unit was set up by President Jimmy Carter to find and deport former war criminals living in the United States.

Mr. Loftus, now a lawyer in private practice in Boston, was interviewed on the CBS News program "60 Minutes," broadcast Sunday evening.

Many of the Russians, collaborators in the Nazi advance into the Soviet Union, are still alive and living in the United States as American citizens, Mr. Loftus

said. Some of them work for such organizations as Radio Free Europe, he said.

"I would say that a conservative estimate there are more than 300 Belorussian Nazis living in America today," Mr. Loftus said.

Not a Fantasy

Also appearing on the program was Rep. Barney Frank, a Massachusetts Democrat, who serves on a House immigration subcommittee.

Rep. Frank said that when he heard the allegations, he could not believe them. "I thought it was the kind of thing that paranoid people make up and it really wasn't true," Rep. Frank said. He said he became convinced that the allegations were factually based after seeing documents, including one involving Emmanuel Jasius, a Russian who, early in 1942, was appointed as a mayor by the Nazi occupation forces.

Mr. Jasius was one of two reputed Nazi war criminals whom a House committee asked the General Accounting Office to investigate in 1978. The GAO reported publicly in May of that

year that it had found that the intelligence agency had used 21 alleged war criminals as "sources of information."

Rep. Frank said Sunday that when the GAO had asked Army intelligence about these cases, "the Army simply lied," and said it had no files on them.

In an interview Sunday with The New York Times, Rep. Frank complained of what he called the government's "absolute, blatant immorality — smuggling murderers into this country and subsequently lying about it."

He added that he expected Congress to conduct an investigation, which he said should result in the declassification of the documents, in the deportation of the war criminals and in the discharge of those involved in the cover-up.

Mr. Loftus said the war criminals had been smuggled into the country despite specific orders against such an event from Presidents Franklin D. Roosevelt and Harry S. Truman. "We later established that the files pertaining to the Nazi immigration had been withheld from Congress, from the courts, from the CIA

and from the local agents of the Immigration Service," he said.

Mr. Loftus specifically cited the State Department's Office of Policy Coordination, a covert intelligence group that predicated the Central Intelligence Agency, as the main initiator of the program to bring the Russians to the United States. He said the office was run by Frank Wisner, a wartime intelligence operative.

Mr. Loftus said the Belorussians convinced the United States that they could provide a "secret army" behind the Iron Curtain" but this, he said, "was a tragic lie" because all their operations had been penetrated by Soviet intelligence.

"It was worse than a borch,"

Mr. Loftus said. "Many of the Belorussians were later identified as having been double agents."

Bishop Loses Appeal

WASHINGTON (AP) — Bishop Valerian Trifa, an alleged Nazi supporter in Romania before and during the war, failed Monday to persuade the Supreme Court to allow him to regain his U.S. citizenship.



John Loftus

ship, clearing the way for the government to begin deportation proceedings.

The court let stand without comment an appellate court ruling that Bishop Trifa, the primate of the Romanian Orthodox Episcopate of North America, had voluntarily surrendered his rights as a naturalized American.

Bishop Trifa was granted citizenship in May, 1957, and voluntarily surrendered it August, 1960, after the government filed suit alleging his citizenship had been illegally obtained. He has been living in Grass Lake, Mich., about 90 miles (145 kilometers) from Detroit.

should decide what vessels fly their flags, as long as they abide by international standards. The United States, Liberia and Panama, did not attend the Geneva meeting.

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Conferees Fail to Settle Flag-of-Convenience Controversy

By Eric Pace
New York Times Service

NEW YORK — The latest international conference on flags of convenience, involving ships that make up more than a quarter of the world's tonnage, has come to an inconclusive stopping point in Geneva, but the debate will resume in November.

Critics of the system will continue to press for an end to open registry, by which owners register their ships in another country, notably Panama and Liberia. Shipping experts believe the talks may shift to attempts to subject open-

registry vessels to more stringent international regulation, however, in view of the present stalemate.

Adib al-Jadir, a shipping specialist for the United Nations Conference on Trade and Development, set out the basic argument against flags of convenience when he complained that owners who register their ships in countries with loose conditions compete unfairly by avoiding the expenses of maintaining safety and labor standards.

Mr. Jadir, an Iraqi, said flag-of-convenience vessels have been involved in "alarming incidents" includ-

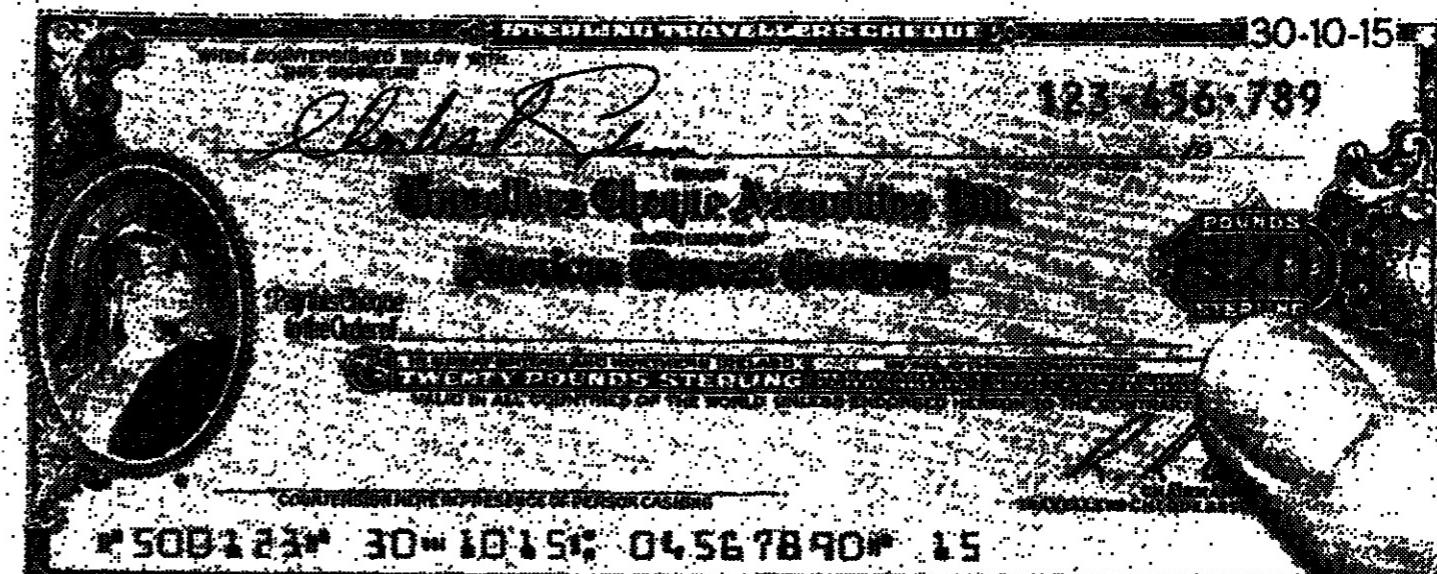
ing shipwrecks, scurvy of vessels, maritime fraud, environmental disasters and violations of the UN embargo against shipment of oil to South Africa.

UN officials said that almost half the accidents on the high seas involve flag-of-convenience vessels. They cite the 1976 wreck of the Liberian tanker Argo Merchant, which spilled 75 million gallons of oil off Nantucket Island. The Argo Merchant was chartered to an oil company, its crew was polyglot and its captain was a Greek who read his radio direction finder backward, the officials claimed.

The verbal salvos reflect the importance of open registry. Flags of Liberia, Panama, Singapore and even Vanuatu fly over 28 percent of the world's total tonnage.

The Reagan administration insists that national governments

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Herald Tribune

INTERNATIONAL
Published With The New York Times and The Washington Post

A Converted Reagan

Billy Graham and Ronald Reagan turned up a lot of soil last week as, coincidentally, they preached reconciliation to the Kremlin. Moved by public passions about nuclear weapons, the evangelist refined his ideas about religious freedom and the president redefined his view of détente. Mr. Reagan had by far the better script.

Heaven only knows what Mr. Graham wanted to accomplish with his misguided denials of Soviet repression. Mr. Reagan feigned no such respect for Soviet policy. He finally treated questions of character and philosophy as irrelevant to the quest for agreements that might preserve peace and moderate the arms race. While sermonizers, East and West, confuse coexistence with gestures of good will or trust, the president offers the realistic prospect of a "constructive relationship" grounded in self-interest.

For Mr. Reagan, that constitutes a dramatic conversion. Most notable was the confession that his contempt for Soviet conduct ("commit any crime...lie...cheat") was not an obstacle to negotiation. Fear and suspicion obviously surround the table, but the Reagan team no longer disputes the necessity of sitting down to talk.

Thus the president also abandoned "linkage," the doctrine that nuclear arms restraint must await the evacuation of Afghanistan, the end of martial law in Poland or even the end of Soviet-U.S. antagonisms. The idea that arms control is a favor to the Russians dies hard in the mind of a generation that still pines for military superiority. The recognition that nuclear weapons, uniquely, cannot be instruments of policy is drifting up rather than down the age ladder. But it is beginning to sink in.

Obviously, agitation in the streets of Europe and the United States for a freeze on the production of nuclear weapons dictated

the timing and tone of the president's new bid to Moscow. Yet he rose above defensiveness. Relying more than ever on the judgment of Secretary of State Haig, Mr. Reagan realized that to impress the Kremlin he first had to win over Western opinion. He acknowledged Europe's stake in his policy and discovered at least some merit in his predecessors' policies of détente.

Indeed, while deplored the failure of East-West trade to produce Soviet "restraint," the president renewed the offer of commerce and credits as a reward for moderation. He claimed to be doing more than he has yet done to press the Kremlin to choose between economic collaboration and sanctions. But not unreasonably, he hopes that Soviet stress may yet make the trade lure effective.

The Russians will be tempted to crow about the heat generated by the freeze movement. But glossing over the president's ideas on arms reduction would be a serious misreading by Moscow of the consensus that Mr. Reagan now represents.

So long as he seemed to dread negotiation and lacked a plausible arms control program, the freeze campaign was an effective political challenge. But few knowledgeable Americans actually favor a freeze or think it can work. It was not Mr. Reagan, after all, but Jimmy Carter and his gentle Secretary of state, Cyrus Vance, who first warned that only large reductions could restrain the arms race.

That the Soviet Union held out for the modest limits of the unratified second arms treaty, SALT-2, wasted five years. That Mr. Reagan still refuses to build on that treaty may waste five more. Without a broad program of arms reductions, however, no restraints will last in any case. Mr. Reagan's new approach is neither extreme nor only defensive. It deserves a solid reply.

THE NEW YORK TIMES.

Yellow Rain: Evidence

The U.S. government has at last come up with some hard evidence in support of Washington's claim that chemical and biological warfare is being waged against defenseless peoples in Southeast Asia. The Soviet Union is almost certainly the responsible party, putting it in flagrant violation of international treaty commitments. Blood and urine samples taken from two victims of a chemical attack in Cambodia show the presence of one of the fungal poisons that the United States believes constitute "yellow rain."

Filling in troublesome gaps in previously available evidence, the new findings show that the victims have in their bodies sufficient amounts of a now identified poison to account for the severe reported symptoms. Control samples taken from individuals of similar age and background who were not subjected to the attack showed no evidence of the mycotoxin. Neither did samples of food, soil and water, making it extremely unlikely that the poison could have come from a natural source.

The new evidence is being sent by the U.S.

government to the UN team that has been investigating the allegations of chemical and biological warfare. So far, the team has accomplished next to nothing. It reported in January that it was "unable to reach a final conclusion" on the accuracy of the charges. This was hardly surprising since the team had not managed to get itself into Laos or Cambodia or even to Afghan refugee camps in Pakistan. However, its mandate was extended, and the group is still at work.

So the ball is now squarely in the United Nations' court. What is at stake is nothing less than the value of arms control treaties — if they can be flouted without punishment, are they worth the effort it takes to negotiate them? — and the rule of law. This is not a propaganda contest between the United States and the Soviet Union, but a matter that directly concerns the security of all nations, especially the developing nations. They are the likeliest victims of the development and use of these cheap, easily acquired, quiet — and lethal — weapons.

THE WASHINGTON POST.

Other Opinion

Graham Rendering Unto Caesar

For more than 60 years, Westerners of a certain predisposition have been journeying to the Soviet Union to see what the regime wanted them to be shown and to be told what it wanted them to believe.

Billy Graham spent six days in Moscow as a participant in a Soviet-sponsored conference of "religious workers" against nuclear war. In at least one case he preached to an audience that contained hundreds of KGB security agents. At no time, apparently, did he publicly raise the issue of the 150 or more of his imprisoned fellow Baptists.

Instead, Graham preached obedience to authority in accordance with scriptural precept. Instead, he inferred the existence of "thousands" of open churches and freedom of worship on the basis of carefully arranged visits to two of the 42 houses of worship that are allowed to exist in Moscow, a city of 8 million. Warning to his theme, Graham later pronounced Soviet churches "free" — unlike, in his comparison, the "state" Church of England.

Graham was under no obligation to say things in Moscow that would offend his hosts. But neither was he required to speak in ways that could only dispirit his coreligionists and give delight to Soviet propagandists. Yet that is exactly what he did. In Moscow, Graham rendered unto Caesar.

— From the Los Angeles Times.

The Falklands: Playing for Time?

Sadly, the signs multiply that the Argentines are simply playing for time. They have conceded nothing. President Reagan is anxious to avoid further conflict. We understand his attitude. He is concerned with U.S. inter-

ests in South America. We hope that, equally, he will understand our attitude. The Americans must be told in a friendly but firm way that we shall do all that is necessary to get our property back.

— From the Sun (London).

It now seems that only a miraculous change of heart in Buenos Aires can avert a decision to retake the Falkland Islands by force.

It should now be clear to the rest of the world that Argentina's sole interest in negotiations has been to play for time in the hope that attrition and the weather would eventually foreclose Britain's military option. We therefore seem faced with a straight choice: invasion of the Falklands before it becomes impossible, or a humiliating and possibly devastating climb-down. Faced with such a stark choice, there can be little argument over the course which must be followed.

— From the Daily Telegraph (London).

The administration of the Falkland Islands is not something which can be given away by the British government. The administrative arrangements on the islands are based on the democratic control of the Executive Council by a legislative council which has a freely elected majority.

The long-term consideration will clearly have to be the subject of continuing discussion, leading perhaps to a proper negotiation based on judicial decision rather than rhetorical claims. It may indeed end in a trustee status, although there are great complexities in such a device which cannot be clarified in hurried negotiations. In the short term, however, the day to day administration of the Falklands has no need to be changed as a result of the invasion.

— From The Times (London).

May 18: From Our Pages of 75 and 50 Years Ago

1907: Imported Railroad Labor

LONDON — Mr. E.H. Harriman is going to try the experiment of using Russian and Chinese labor in building his new railroad in Mexico, and the first installment of 1,400 of them (of which only 200 are Russian) is now on its way from Vladivostok to that country. They are to work on the new Cananea Yaqui River and Pacific Railroad, which is an extension of the South Pacific down the west coast of Mexico. "Of course this is only an experiment," said Mr. E.T. Hazleett, a special agent of the Harriman lines. "The Russians, however, are splendid men. The Chinese are from the northern part of their country and are 'scrapers' by nature. They are of the sort that took part in the Boxer uprising."

1932: Polish Troop Movements

BERLIN — Disquieting reports of Polish troop movements in the Danzig territory continue to reach here from the German-Polish border. The Danzig correspondent of the Nationalist Lokal Anzeiger describes a stream of Polish military transports going through Danzig, concentrations of Polish troops at Dirschau, Gdynia and neighboring towns, and the participation of semi-military organizations in maneuvers in the frontier district. The Socialist organ Vorwärts alleges that large numbers of Hitler's forbidden storm detachments have been reinforcing the "Brown Army" of Danzig, where the Free City's government has not interfered with the Hitlerite semi-military organization.

Billy Graham, in His Zeal, Is Spreading the Wrong Word

By William Safire

WASHINGTON — In preaching the Gospel two millennia ago, did the Apostle Paul challenge the dictatorship of the Caesars? Billy Graham told ABC's "This Week With David Brinkley" on Sunday that the answer was no: "The first evangelist never lifted a finger against Rome."

Focus on the moral dilemma of the man who must operate in this world to preach of other worlds: To what extent should he abandon principle to teach principle?

The Apostle Paul dealt with that dilemma directly. Despite Christianity's substitution of baptism for circumcision, he ordered the circumcision of Timothy to recommend his ministry to the Jews, explaining (I Corinthians 9:22) "To the weak I am weak; that I might gain the weak; I am made all things to all men, that I might by all means save some."

In the same way, the evangelist of today who obviously identifies with the first evangelist is trying to ingratiate himself to the leaders of the Soviet Union.

While in Moscow, Graham only reluctantly agreed to meet with the half-dozen Pentecostal Christians who have been holed up in the basement of the U.S. Embassy. No pictures, he stipulated, not even a Polaroid for their album; although Graham explained that his restriction was intended to avert a "media event," it is logical to assume that he wanted to avoid publicity primarily because it would anger his Communist hosts.

Despite a request from Vice President Bush, who called at the direct behest of the president, Graham left his prestige to the propaganda festival; he insisted again Suday that "there is more freedom than some Americans might think" in the U.S.S.R.

Graham is willing to alienate many of his own followers and to dismay his many admirers by kowtowing to this Kremlin. Why? Let's assume that he is not suddenly gone so soft-headed as to buy

the Soviet peace-propaganda line. What other reason can he have for jeopardizing his ministry at home?

His motive is to induce Moscow to allow him to carry his crusade to the Soviet peoples. If he can persuade the Kremlin that he will not encourage any dissidents who challenge its authority, Graham evidently believes Russia will permit him to carry his crusade to Luzhniki Stadium in Moscow where he can then enkindle religious fervor in tens of thousands.

A noble motive. Why cannot a master preacher — who must reach vast audiences to carry out his life's mission — make a few compromises with secular authority to make possible his evangelism?

After all, he would not be the first religious leader to work out such a truce with Caesar. Through the ages, religious have worked with secular regimes, uniting militancy to endure; in Poland today, the Catholic Church must

walk a tightrope between the government and Solidarity. What is wrong, then, in Billy Graham's turning a blind eye to religious repression in Russia if — by so doing — he is able to win approval to encourage religion there?

That ancient dilemma cannot be answered with a platitude like "the ends never justify the means." Sometimes the ends do just that. But the argument that the ends justify the means is made all too often by political powers; the necessary counterargument — that evil means usually determine ends — must be made by the keepers of the moral flame.

That is where Billy Graham, in his zeal to make a deal to spread the Word, spreads the wrong word. The evangelist can no longer be separated from economic and political freedom. The evangelist can no longer righteously bid "all things to all men" to save their souls; he must recognize the martyrdom of those of his and other faiths who dare to "lift a finger against Rome."

God's word is remembered in Russia today thanks to the example set by religious dissidents. Seventh-day Adventists and Pentecostals ennable their beliefs by paying for them dearly, in gulags, Jehovah's Witnesses disseminate the texts of "The Watchtower" in forbidden broadcasts.

If an evangelist from abroad wants to "preach the Gospel of Christ in atheist Russia," he may decide that Pauline expediency permits him to bypass and thereby supplement their work. But he cannot know of their suffering and deny or denigrate it by professing to see freedom.

Graham should read Michael Novak's "The Spirit of Democratic Capitalism." Religious freedom can no longer be separated from economic and political freedom. The evangelist can no longer righteously bid "all things to all men" to save their souls; he must recognize the martyrdom of those of his and other faiths who dare to "lift a finger against Rome."

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Siberian Gas Debate Hides Deeper Dispute

By Wolfgang Wagner

HANNOVER, West Germany — Few recent issues have tested relations between the United States and West Germany as sorely as the controversy over the Soviet pipeline to furnish Western Europe with natural gas.

But the dispute only conceals deeper differences that divide the Atlantic allies over the broader question of economic ties with the Soviet Union.

Pioneered by West Germany, the deal to build the pipeline has incurred the wrath of the Reagan administration, which contends that it will give Moscow a stranglehold over Western Europe's energy supplies. Caspar Weinberger, the U.S. defense secretary, further argued not long ago that the Kremlin's earnings from the gas exports, expected to run to about \$8 billion a year, will help to sustain Soviet "military imperialism."

West Europeans resent Washington's attempts to block them from doing business with the Russians — especially when President Reagan continues to authorize U.S. farmers to sell grain to the Soviet Union. A widespread feeling as well as that of Reagan, whose high-interest policies have contributed to the global recession, is hardly in a position to prevent Western Europe from taking any steps to improve its battered economies.

These tensions have crystallized around the pipeline project, which was conceived in 1979, at a time when Western Europe desperately needed energy to keep its industries operating. West European countries had already been buying natural gas from the Soviet Union. During the first half of the 1970s, West Germany alone concluded three agreements to purchase 11 billion cubic meters of Soviet gas.

The pipeline is due to start functioning at the end of this decade. West Germany, France, Italy, Belgium, Switzerland and the Netherlands will receive more than 40 billion cubic meters of gas a year. The Russians are getting the pipeline almost entirely on credit, to be repaid later in gas. The financing is private, with West German banks and companies furnishing a major share of the \$4 billion in loans. Even before the gas begins flowing, pipeline operators are worried that the Russians would stop their deliveries for political reasons.

Reagan and his advisers are correct when they say that the flirtation with Moscow contains risks.

But what they seem to misunderstand is that West Germany, which has lived in the shadow of the Soviet empire for a generation, is accustomed to risks — and the pipeline is one that people in Europe are willing to accept.

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LETTERS

Arab Casualties

Your front-page story ("Israeli Jets Bomb Lebanon" (IHT, April 22) did not mention casualties. Twenty dead and about 50 injured was given prominence in BBC newscasts.

I have read your Middle East items with greater care after noticing that an account of West Bank disturbances under the headline "Cabinet Will Not Let Begin Quit Post" (IHT, March 24) went on for 13 paragraphs before mentioning Arab casualties. Is an editorial policy implied?

Lisbon. B. STONEQUIST.

such logic the annexation of the Golan Heights, or any other territory on the West Bank, for that matter, can be fully justified.

These criticisms strike at the heart of the distortions which have been used over the years to shape U.S. public opinion and particularly to blindly promote the ongoing Israeli revision of history. By accepting such sloppy writing, the IHT casts doubt on the professionalism of its editors and, more importantly, retards public understanding of the conflict so critical to its solution.

BRADY S. SADEK.

Singapore.

Childish Immundo

I am deeply disappointed over the declining quality of contributions to IHT's opinion page, and the direct reflection this has on the paper's editorial standards. Flora Lewis' article of April 21 is a case in point.

In the childish immuno containing in Lewis' comment regarding Jordan's involvement in 1967 is condescending and self-righteous at best, and naive at worst. Was Jordan to sit idly by while its ally was attacked? Can Lewis really believe the Israelis did not have designs on the West Bank?

And what of the 1967 borders which Lewis dismisses as "only lines where soldiers dug in at the moment truces were signed in 1949"? To read Lewis, these borders, long recognized by UN resolutions, should be ignored. Under

War and 'Christ'

I was shocked to see your newspaper (IHT, April 24-25) accept a full-page advertisement from agents of "The Christ," by which readers were told: "His presence in the world guarantees there will be no third World War."

This uncritical acceptance of all manner of self-seeking cranks and opportunists will result in even more potentially useful young people turning away from a vitally needed social responsibility.

It is the duty of all of us to work to prevent World War III. By all means, hope for help from "The Christ," Lord Maitreya, the Buddha, the Mahdi, Krishna — even the Pope. But don't expect these gentlemen to do the job on their own.

NICHOLAS PERRY.

Gerona, Spain.

Herald Tribune

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Hassan Says Morocco Wants U.S. Aid While Remaining Nonaligned

By PRANAY B. GUPTA
New York Times Service

FEZ, Morocco — King Hassan II says that while he would not hesitate to sign a treaty with the United States, Morocco "always will be nonaligned."

He went on: "There is no question that we are nonaligned—but nonalignment is not noncommittal. Morocco is an independent state," he said. "It is precisely its independence and its sovereignty that allow Morocco to choose its friends."

The king spoke in advance of his state visit to the United States, which starts Tuesday. During the visit, he and President Reagan are expected to discuss the possibility of Morocco providing transit rights for U.S. military aircraft and personnel in this country. Secretary of State Alexander M. Haig Jr. met with the king in Morocco in February and among subjects discussed was the possibility of landing rights for the Rapid Deployment Force planned for the Middle East.

Asked to comment on reports that he had already agreed to provide the United States with transit rights, he replied, "We have signed nothing."

Congressional Resistance

King Hassan also hopes for increased economic and military aid from the United States. Although the administration has proposed increased aid, the plan has recently met with resistance in Congress.

The United States gives Morocco \$55 million in economic aid annually and provides credit of about \$30 million yearly for foreign military purchases. The administration wants to increase this credit to \$100 million, but the House Foreign Affairs Committee recently halved that amount.

The king said that even though he sought closer economic and political ties with the United States, he was not prepared to sacrifice what he called Morocco's "special identity" in the Arab and Third World.

"If one day the United States asks for facilities for use in the Middle East against an Arab country, it's for certain that we would oppose it," he said.

The ruler said that phosphate production would begin again in July in the Bucra mines in Western Sahara. Production was halted some years back after the Polisario sabotaged conveyor belts in the mines.

The king's statement appeared to signal that Morocco was now militarily confident enough to thwart any attacks on the mines and hold on to the Western Sahara.

Mr. Raoul-Daval, 59, was BFCE's Assistant General Manager and former "Administrator General" of CCF.

DEATH NOTICE

Banque Française du Commerce Extérieur et Crédit Commercial de France sadly announce the death of GUY RAOUL-DUVAL on May 12th.

Mr. Raoul-Daval, 59, was BFCE's Assistant General Manager and former "Administrator General" of CCF.

Daily Paper Financed by Moon Sect Makes Its Appearance in U.S. Capital

The Associated Press

WASHINGTON — The U.S. capital, a one newspaper town for nearly a year, got a second daily Monday with the debut of *The Washington Times*, which is financed by followers of the Rev. Sun Myung Moon.

The first edition consisted of a 20-page news section, a magazine and an eight-page tabloid introducing the staff and explaining how the paper came to be. Noting that the Unification Church founded by Mr. Moon is a controversial religion, a story in the supplement said, "The Washington Times will face what is described in today's phrase as 'an image problem.'"

The editors are predicting an immediate sale of 100,000, although the morning newspaper will carry no advertising until the circulation figures become firm enough for a rate schedule. The morning *Washington Star*, the capital's only daily since the *Washington Star* folded last August, has a circulation of 700,000 weekdays and 984,000 Sundays.

James Whelan, a veteran newsmen and the editor and publisher of *The Washington Times*, said that while followers of Mr. Moon have put up the capital, he alone will dictate the newspaper's contents and policies. He said he has a five-year contract promising autonomy.

U.S. Report Branded Mitterrand 'Romantic'

The Associated Press

PARIS — A confidential U.S. State Department report written shortly after the victory of President François Mitterrand describes the Socialist leader as a romantic who is poorly informed on international affairs and surrounded by "woefully untrained" advisers, according to a French newspaper account Monday.

The report was dated May 20, 1981, 10 days after Mr. Mitterrand's victory ended 23 years of conservative rule in France. It was published in the leftist daily *Liberation*.

The study was written by John Dobrin, who at the time was in the Central European division of the State Department in Washington. He is now with the U.S. Embassy in Warsaw.

Mr. Dobrin addressed the report to three of his Washington colleagues, Henry A. Holmes, director of the department's European division, David Gompert, also in the European division, and John Maresca, who at the time was in the department's Western Europe division and who now is in the No. 2 position at the embassy in Paris.

The report was equally harsh on Mr. Mitterrand's "old boy" advisers.

Mr. Mitterrand "is likely to draw his security policy from the counsel of a tiny group of advisers, themselves woefully untrained, very poorly informed and far removed from modern security analysis," it said.

There was no immediate reaction to the report from Mr. Mitterrand's office.

On a more positive aspect for U.S. policies, Mr. Dobrin wrote, "Mitterrand, personally, is a convinced Atlanticist in a party made up of neocolonialists." The French president, who appointed four Communists to his 44-member Cabinet, does not like Communists, the report said.

The study also noted that it would be easy to convince Mr. Mitterrand to support U.S. positions.

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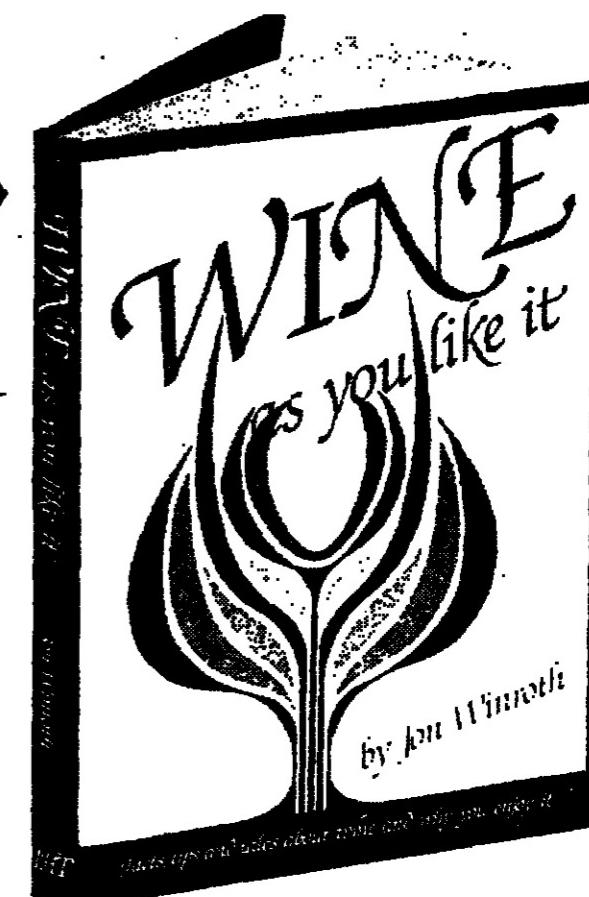
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China, India Meet Again Over Border

No Immediate Result Seems to Be Expected

United Press International

NEW DELHI — India and China opened a second round of talks Monday aimed at resolving a 20-year-old border dispute, but neither side appeared to expect a sudden breakthrough.

The initial round, held in Peking in December, was the first border meeting since the two Asian neighbors fought a three-week border war in the Himalayas in September 1962.

At issue is 48,000 square miles (about 123,000 square kilometers) of territory in two areas, one near Bhutan and Burma and the other along China's Sikkim province.

The talks were held in Hyderabad House, the red sandstone palace of the former Nizam of Hyderabad, in central New Delhi, and were expected to last four days.

Other Topics

China's former deputy minister of foreign affairs, Fu Hao, led a delegation of 11. India's chief negotiator was Eric Gonsalves, a secretary in the Ministry of External Affairs.

Also joining the session were trade, scientific and cultural representatives who were expected to discuss bilateral relations.

Both Mr. Fu and Mr. Gonsalves said the talks could expand trade, scientific and cultural ties between the two nations.

But before the Chinese delegation arrived, Mr. Gonsalves said: "Frankly speaking, I do not expect any breakthrough in the second round of talks."

China's attack on India on Oct. 20, 1962, was seen by the late Prime Minister Jawaharlal Nehru as a Soviet attempt to humiliate India, one of the leaders of the nonaligned movement.

In the border war, China seized 14,000 of the 16,000 square miles in the western sector bordering Sikkim.

India controls 32,000 square miles in the eastern sector near Burma and Bhutan.

Peking offered India a deal in 1980 that would in effect have maintained the status quo with the two sides retaining control of the territory they now occupy. India has indicated it will not accept the offer.

In recent weeks there had been sporadic street clashes in which nine persons were killed and about 100 injured. But no major incidents were reported on election day.

No Major Incidents

Mr. Jorge Blanco's party also was leading in races for the 120-member Chamber of Deputies and the 27-seat Senate. Several municipal offices also were at stake.

In recent weeks there had been



BIGGEST BUDDHA — Worshippers in Tateyama, Japan, attend the unveiling of a 30-ton bronze reclining Buddha, believed to be the largest of its kind in the world. The Buddha was commissioned by Kimiko Ichimura, 63, who spent her \$1-million fortune to have it made.

Leftist Backed by Incumbent Party Wins Peaceful Dominican Election

From Agency Dispatches

SANTO DOMINGO, Dominican Republic — Salvador Jorge Blanco, a moderate leftist and the candidate of President Antonio Guzman's incumbent Dominican Revolutionary Party, claimed victory early Monday in what appeared to be this nation's first peaceful and undisturbed election since independence a century and a half ago.

Returns from 655 of the 5,611 polling places gave Mr. Jorge Blanco 95,242 votes, or 47.95 percent. Joaquin Balaguer, the 75-year-old former president and head of the rightist Reformist Party, received 66,991 votes or 33.72 percent, and Juan Bosch, the leftist who was deposed as president in 1963, got 22,087 votes or 11.12 percent. Five other candidates ran far behind.

Official returns were still incomplete, having been delayed for hours after a huge turnout that led the Central Electoral Board to extend voting for two hours Sunday.

Mr. Jorge Blanco had been viewed as the favorite in the race, and Mr. Balaguer, who was president for 12 years until his defeat in 1978, was seen as the likely runner-up in polls taken as the campaign ended. Mr. Bosch, of the far-left Dominican Liberation Party, was

president briefly before being deposed in a military coup in 1961.

Differences among the candidates on the issues — particularly the chief issue, the decaying economy — have been hard to delineate.

The campaign has instead been portrayed as a battle between the old faces and the new, the left and the right, experience and youth.

Traditional Forces

In party primaries, Mr. Jorge Blanco was the candidate of the government party's left wing. He opposed Mr. Guzman's communist faction. But well before election day he had picked up support from a number of more conservative businessmen and bankers.

Official returns were still incomplete, having been delayed for hours after a huge turnout that led the Central Electoral Board to extend voting for two hours Sunday.

The voting was viewed here as a test of the strength of the Dominican Republic's young democracy.

In recent days, rumors have persisted that the election of Mr. Jorge Blanco might result in a coup. But the heads of the armed forces and the national police have publicly pledged to respect the outcome of the voting.

It was the fifth election in the Dominican Republic since a civil war following Mr. Bosch's removal and U.S. intervention in 1965. But it was the first conducted in conditions approaching those normal for a democracy.

Western diplomats and other sources said the Syrian positions were of strategic importance because they blocked the routes Israel might use in an attack on Syria through Lebanon.

Syrian Reveals Buildup In Lebanon to Thwart Any Israeli Invasion

From Agency Dispatches

BEIRUT — Syria has begun strengthening its positions in Lebanon's Bekaa Valley to prevent the possibility that Israel will move across the border, through Lebanon and into Syria, a Syrian official says.

Israeli forces are massed across the border from southern Lebanon, but the immediate threat of an invasion of Lebanon appeared to have receded after a weekend of extensive government meetings in Jerusalem, Israeli press reports and Western diplomats said Monday.

Newspapers reported that the Israeli Cabinet decided Sunday to show restraint against Palestinian guerrillas for now. The reports said the government, which last week marshaled forces on the Lebanese border, had decided to hold off attacking Palestine Liberation Organization camps unless the guerrillas struck again.

Military Buildup

Western diplomats said U.S. pressure may have been instrumental in the decision. Prime Minister Menachem Begin and Defense Minister Ariel Sharon are to visit Washington next month.

The Syrian official would give no details of the military activity at the mouth of the Bekaa Valley, about 20 miles (32 kilometers) north of the Israel-Lebanon border, but said, "We are strengthening our army and positions because we are to be all."

Western reporters who toured the area late last week saw new Soviet-built T-62 tanks dug in along one of the two main roads leading from Israel to the Bekaa Valley, the strategic pass between Lebanon and Syria around the flank of Mount Hermon.

The reporters also saw anti-aircraft batteries and troop transports in freshly dug positions in the hills to the north and east of Macgharish, 25 miles southeast of Beirut, as well as new, although unmaned, positions at the second road into the valley from the Israeli frontier.

Strategic Locations

Western diplomats and other sources said the Syrian positions were of strategic importance because they blocked the routes Israel might use in an attack on Syria through Lebanon.

Israel admitted last week that it

has been massing troops along the border with southern Lebanon for a possible thrust at Palestinian guerrillas entrenched in the region. Syria has pledged to defend the guerrillas if they are attacked.

Syria has 30,000 troops in Lebanon on a mission from the Arab League to uphold the truce that ended the 1973-76 war between rightist Christian militiamen and an alliance of Palestinian guerrillas and Lebanese Moslems.

In the southern Lebanese port of Sidon, residents closed shops, schools and businesses Monday in protest against gun battles Sunday between a local leftist group and Palestinian guerrillas. Six persons were killed and 13 were injured in the fighting.

French Envoy Returns to Post in Syria

PARIS — The French ambassador to Syria returned to Damascus on Monday, more than three weeks after he was recalled and two Syrian diplomats were expelled from France, the External Affairs Ministry said.

France recalled Ambassador Henri Servant from Syria for consultations on April 22 after a terrorist bomb exploded outside an anti-Syrian Arab-language newspaper, Al Watan al Arabi, in central Paris. One woman was killed in the morning rush-hour explosion and dozens of people were injured.

Syria retaliated by expelling two French diplomats and recalling its envoy to Paris. French officials gave no reason for Mr. Servant's return to his overseas post. The Syrian ambassador to Paris, who had also been recalled by his government, has not yet returned.

The publisher of Al Watan al Arabi, Walid Abou Zahr, was quoted Monday as saying he had evidence that three Syrian agents carried out the bombing after abandoning plans to dynamite French state radio headquarters in Paris.

"Arab Affairs"

The publisher, who claims to have sources within the Damascus government, told the Paris daily newspaper Le Matin that Syria wanted to bomb the radio building in retaliation for a French television broadcast, but chose his offices instead to "make it look like an affair between Arabe."

French government sources said that relations with Syria had been severely strained since the assassination of the French ambassador to Lebanon, Louis Delamare, on Sept. 4, 1981.

On the evening before the Paris bombing, the French television broadcast a documentary directly implicating Syria in Mr. Delamare's slaying. The broadcast said that Mr. Delamare was killed during a bungled kidnapping intended as a warning against continued French objections to Syrian military involvement in Lebanon.

The sources said that the French also had evidence the two Syrian diplomats expelled after the bombing had been directly involved in anti-Iraqi activities in France "incompatible with their diplomatic duties."

Egypt Announces Arrests of More Fundamentalists

United Press International CAIRO — Police Minister Hassan Abu-Basha has announced that another underground Moslem fundamentalist group, financed by "external forces," has been smashed and its leadership arrested.

It was the third such organization reportedly uncovered in less than two months.

The latest group was seized Friday, Mr. Abu-Basha said, and belonged to a parent organization that calls itself Al Takfir wal-Hijra. He said the society regards other Moslems as heretics, advocates the overthrow of the government and the imposition of Islamic law by force.

"There are external forces which are attempting to undermine domestic security and stability," Mr. Abu-Basha said Sunday at a meeting of senior police officers. "Investigation has proved that some of these external forces maintained contact with terrorist groups inside Egypt and provided them with funds and printed matter." He was understood to be referring to non-Egyptian Islamic groups active in some Arab countries and Europe.

At the beginning of April, the authorities announced that two Moslem fanatic organizations had been discovered and 140 of their members arrested.

Arab Boycott of Zaire Being Sought by PLO

BEIRUT — The Palestine Liberation Organization has called for an Arab boycott of Zaire in retaliation for its decision to resume diplomatic relations with Israel and open an embassy in Jerusalem.

The statement, issued Sunday night in Beirut by Yassir Arafat, the PLO information chief, said that if the Arab states remain indifferent to Zaire's action, other conservative African countries will be encouraged to follow suit.

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A Rural Italian Town Fights Age of Atoms

Political Parties Unite to Resist Plans for Nuclear Plant in Area

By Henry Kamm

New York Times Service

AVETRANA, Italy. — In this rustic region of Apulia, on the inside of Italy's heel, a land of heady wine and heavy olive oil, the possible coming of a nuclear power plant has turned ageless anger into agitation that has surprised not only the authorities but the people themselves.

Wherever a visitor traveled in this region, which remains well off the beaten track despite the lovely beaches lapped by the Gulf of Taranto and the picturesque medieval towns, the *centrale nucleare* was topic No. 1. The issue has united all the political parties in this town of 7,500 people.

For once, Cosimo Sammarco, secretary of Avetrana's Communist Party, and his brother Leonardo, leader of the town's Christian Democrats, are on the same side of a debate.

The Communists still refuse to participate in protest meetings held by the neo-Fascist Italian Social Movement, but like all members of all the other parties they are pleased by the strong statement of opposition issued by the local bishop, Armando Franco of Orta.

Avetrana, the town nearest the projected site, did not get news of its selection until after Dec. 7, when the regional government announced that it had agreed to a recommendation of the Rome government to offer a site for a 2,000-megawatt reactor as part of the national energy program. Other sites that had been invited to approve sites refused.

Antonio Nigro, director of the elementary school and a member of the town council elected on the Communist slate, said the council, headed by Mayor Francesco Scarciglia, a Christian Democrat, did not at first offer any resistance. On the national level, all Italian parties except the Radicals favor clear energy.

"Five or six young people started what is now a resistance movement that everybody has joined," said Mr. Nigro. "They put up a sign on the piazza that said, 'Better active today than radioactive tomorrow.'

The meetings grew larger and larger, Mr. Nigro said, until on March 20 a rally drew a throng estimated at 20,000, about triple the population of Avetrana.

Communal Referendums

In the bars of the towns and villages along the coast, local men — over their small cups of coffee "corrected" with a few drops of grappa or other alcoholic drinks — voted to "make things between Avetrana and the government" as good as possible.

At the evening meeting, the Frendi, a document signing Syria's staying there, told the newspaper Le Monde that he would bring the decision to the Constitutional Commission for a final vote.

Mr. Deleuze said he hoped to "make things between Avetrana and the government" as good as possible.

At her nomination for the presidency of the Federal Executive Council in January, the press described her as the Iron Lady of Yugoslavia. She is rarely seen smiling.

"I have this reputation and I am sure I will need this toughness in my new job," Mrs. Plavina said. "We have to start immediately. Our economic situation is very serious."

Economic Problems

Yugoslavia's economic problems include unemployment, rising inflation, a shortage of hard currency and a large foreign debt. In ad-

dition, there is periodic restlessness among the ethnic Albanians in the province of Kosovo, where there were major disturbances in 1981 and minor outbreaks as late as last month.

After Tito's death in 1980, the duties of head of state were transferred to a collective presidency, with the president and vice president holding one-year terms and rotating annually.

The Federal Executive Council, which Mrs. Plavina now heads, is the equivalent of the Cabinet. Her term is four years.

Mrs. Plavina fought with Tito's partisans against the Nazi occupying force during World War II. She became a Communist Party member in 1944 and a professional politician in 1949.

Mrs. Plavina was given the party leadership in Croatia in a purge ordered by Tito to clear the leadership of nationalists.

Very little is known about her private life. Politika Ekspres, a leading Belgrade daily newspaper, said only that she has some great qualities — efficiency and the ability to make quick decisions, and great thoroughness.

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New Yugoslav Premier Known for Toughness

The Associated Press

BELGRADE — A new Yugoslav government, headed by a woman who says she deserves her reputation for toughness, took office Monday. Milka Plavina, 57, head of the Communist Party in Croatia for the past decade, was approved as premier Sunday in a joint session of the Federal Assembly.

At her nomination for the presidency of the Federal Executive Council in January, the press described her as the Iron Lady of Yugoslavia. She is rarely seen smiling.

"I have this reputation and I am sure I will need this toughness in my new job," Mrs. Plavina said. "We have to start immediately. Our economic situation is very serious."

Economic Problems

Yugoslavia's economic problems include unemployment, rising inflation, a shortage of hard currency and a large foreign debt. In ad-



ABSENT GUEST — Lech Wałęsa, the interned leader of the Polish independent union Solidarity, has been awarded an honorary degree in absentia from the University of Notre Dame, the first such degree the university has conferred. The Rev. Theodore M. Hesburgh, left, Notre Dame president, is next to a chair representing the degree.

Pretoria Plan for Nonblacks Seen as Illusory

To Critics, 'Power-Sharing' Proposal Is Ambiguous

By Joseph Lelyveld
New York Times Service

JOHANNESBURG — On the penultimate page of a long report on constitutional changes published last week with great fanfare, the government of Prime Minister Pieter W. Botha is urged to consider issuing a "declaration of intent

normally truculent machine politicians who has staked his political future on initiating some form of what he calls "healthy power-sharing," the ambiguity seems a necessary cloak. An unequivocal answer to the questions about the role of blacks could doom the proposals as well as himself.

In the eyes of the moderate white opposition, let alone blacks and the outside world, Mr. Botha may have conceded little or nothing so far except a few of the more obviously worn-out apartheid precepts. But his readiness to associate himself and the governing National Party with the idea of racial change, however vague, has been enough to shatter the political unity of the Afrikaners, which has been the basis of their dominance for the last 34 years.

Thus, having partly unrolled a blueprint for constitutional change, the theorist of the new order seemed to acknowledge tacitly, an enormous ambiguity at the heart of their "reform" — the proposed switching from a parliamentary to a presidential system as a way of bringing South Africa's mixed-race people called coloreds and also Indians, into institutions of government that would remain closed to the black majority.

Was it to be viewed as the first step in a process of voluntary power-sharing by the whites that would ultimately include blacks?

Or was it, as one speaker suggested on Friday in the multiracial advisory body known as the President's Council that has been set up to midwife the proposals, a last-ditch effort to exclude blacks permanently by moving the major dividing line in South African politics from white and nonwhite to black and nonblack?

For Prime Minister Botha, the

It is a matter of debate as to whether it was courage, ineptitude or force of circumstances that landed the prime minister on this tightrope. But there is general agreement that he cannot turn back because the doctrinal ground he has already abandoned that of orthodox apartheid ideology has been occupied by Mr. Treurnicht.

In that case, the switch to the presidential system would be an accomplished fact long before the next white election, which need not be until 1986.

By then, Mr. Botha's supporters are acutely aware of the problem their leader faces in trying simultaneously to marshal white and nonwhite support for limited change.

The plea of the prime minister's supporters to the moderate, mainly English-speaking opposition as well as to coloreds and Indians is that this initiative represents their last and only chance for evolutionary change. If it goes forward, it will at least be a beginning, they argue, while if it is rejected, the bulk of Afrikaners will resentfully conclude that they have been spurned and that power alone can be relied upon to settle the issue of power.

That was the line Mr. Botha himself seemed to be adopting at the start of the year when he urged colored and Indian leaders to tell their people to "calm down" and stop making demands. "The whites also have rights in this country," he said then, in a tone that sounded more threatening than conciliatory.

More recently, the prime minister sought to carry his own people.

"What I am doing today is not because I am a wonderful person or a savior of South Africa," he told a party meeting the other night, "but because I have a duty to fulfill. I am going to do it whether it makes me popular or unpopular."

An implicit threat could be read into those words, which the consti-

tutional proposals from the President's Council come close to spelling out: The changes could be forced through against white as well as nonwhite opposition on the basis of the National Party's huge majority in Parliament.

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ARTS/LEISURE

Munster: The Cheese Sans Umlaut

ENGLISH IS a straightforward, frank, honest, open-hearted, no-nonsense language which has little truck with such devilish devices as accents; indeed U.S. editors and printers are often thrown into a dither when a foreign word intrudes itself into the language. However there is one word on which Americans seem to have closed ranks: printing it confidently, courageously, and almost invariably, complete with accent — the cheese presented to us as Munster.

Unfortunately, Munster doesn't take an accent.

The American way with

WAVERLEY ROOT

Münster is exemplified by both example and exception in the Time-Life "Foods of the World" series, in which the two volumes on French cooking (classic and provincial), written by authors who did their homework in France, spell the word "Münster," but in the book on American food, where, if anywhere, cheese should avoid entangling foreign allies, the American imitation of Munster turns up as Münster.

This may be excusable as a mistake which would not have been a mistake if it had not been based on another mistake, for the foreign cheese which inspired the American version is described in this book as German. Münster would be right if Munster were a German cheese, but it isn't. There is a German city named Münster in North Rhine-Westphalia, but the Münster that makes the cheese is in Alsace, France, and as the function of the umlaut over a U in German is to indicate that it has acquired the sound of the French U, it would be pointless in France.

Monastic Creation

The name Munster is explained universally as being a corruption of monastère, and the town does indeed seem to have originated about a monastery whose monks are credited with having invented the cheese. Cheese was a specialty of medieval monks and nobody disputes that Munster was a monastic creation. But of which monks? Henri Gault and Christian Millau say they came from Germany, which is consistent with cheesemaking, but every other source says that Munster was founded by evangelists from Ireland who came to Alsace in the seventh century to convert its still pagan inhabitants.

Ireland does not rank high as a cheese-producing country. However, misnomer as cheesemakers or not, there is a detail which suggests that the monks of Munster may indeed have been Irish. From what part of Ireland might evangelists have been dispatched in the seventh century? As reasonable a hypothesis as any would be that they were assigned to this missionary field from the ecclesiastical capital of the island, Cashel. Cashel is in the south-midwestern sector of the island, one of the five ancient provinces, Munster. Did the monks bring the name of their homeland with them? Perhaps the accepted explanation of this city's name is as questionable as the umlaut America applies to it.

Irish monks, from a land not rich in cheese, may well have hungered for it, and have given themselves enthusiastically to its production when they entered a territory whose soil was propitious to milk supply suited for cheese. They were in the Vosges Mountains. Mountain pasturage is often prized by cheesemakers, and the Vosges are particularly favored by nature in this respect. The special quality of the milk produced by cows there is supposed to account for the full flavor of Munster, and the lushness of the forage is attributed in its turn to the granitic soil on which it grows.

The flavor of Munster strikes some persons as too full. Actually it is the odor rather than the taste which is strong, but the first deters them from finding out about the second. Munster is sometimes described as the smelliest of all French cheeses. I would say that Epoisses (Burgundy) and Maroilles (Flanders, or so close as make no difference) are stronger.

Smelly and Runny

However, Munster is indubitably smelly and, with the slightest encouragement, runny also, though at its prime when it is cut open the pale yellow creamy inside may quiver but should not run out from the orangish-yellow crust. It will run, of course, if you let it stand after it has been cut open, unless you have handy a couple of strips of wood to lay against the opened ends. It is sold in round disks 3 to 6 centimeters deep (1.8 to 2.3 inches), 15 to 20 in diameter (6 to 8 inches), and 300 to 900 grams in weight (10% to 31% ounces). A good Munster should have ripened uniformly throughout, with no chalky center and with no moldiness apparent to eye or tongue. Alsatians refer to its *gout de vache*, "taste of the cow," and indeed behind its milkiness one does sense the perfume of the stable, at its most pleasant. The fat content runs from 40 to 50 per-

cent, and though it is not difficult to digest for most persons, it should be avoided by dyspeptics and sufferers from liver trouble.

This is a description of *Munster fermier*, the cheese made in small lots by individual farmers, as Munster ought to be and to a large extent still is. There is also *Munster laitier*, creamy Munster, a commercial product made from pasteurized milk, planted afterwards with ferment which give it a crust a brick-red color. It has a milder odor than the original, which makes it more attractive to some, though not to me: adulterating the characteristic natural taste of any food to please the timid is in my opinion almost always a mistake. The *Livre de Fromage*, a French encyclopedia, agrees, giving *Munster fermier* the stars, the highest rating, and *Munster laitier* only one.

"Munster, creamy and crusted,

is apt to be very whiffy when at its prime ... rather like American Liederkrantz, except more so, M.F.K. Fisher wrote. "In Strasbourg in the winter I used to go after a long Sunday walk to a big, noisy, fine beerhall and order a 'Munster-plate': a large piece of very strong runny cheese, a bowl of finely minced raw onion, a smaller bowl of caraway seeds, plenty of good crusty bread. This

called for the heady blond beer of the town, for no wine ever grew that could stand up to such an assault."

Though Munster is often served toward the end of a full meal, I agree with Fisher that its most rewarding function is as a snack consumed for its own sake. I am less inclined to follow her about what to drink with it. When I eat an Alsatian meal starting with sauerkraut, which I think calls inexorably for beer, I continue with it through the Munster, for changing beverages in midstream will wreck the unity of the meal; but when one eats Munster alone, it seems a shame to miss the chance to let it work its magic by magnifying and exalting the richness of a red wine — a full-bodied Burgundy perhaps, or some lesser wine of a hearty and coarse type: you want a rustic wine, for Munster is certainly a rustic cheese. The Alsatians themselves often drink Gewürztraminer with Munster, and though as a rule I believe there can be no better guide than the habits of those places which produce the food or drink in question, the combination of Munster with a highly fruited flowery white wine strikes me as curious; nor would I, as Alsatians do, eat Munster only partly ripened.

Munster is traditionally served

with cumin, which frequently turns out to be caraway; I doubt if most persons notice any difference. I do not eat these seeds with it because Munster or no Munster, I dislike their taste. Another occasional accompaniment is anise, which does not appeal to me either. Munsters are sometimes made with either cumin or anise incorporated into the cheese itself, but fanciers of these variants are few.

The passage containing the double mistake in the *Time-Life "American Cooking"* admits that the American cheese "bears little resemblance to the Munster [sic] of German [re-sic], being far milder, with a lighter, fresher taste. But as Vivienne Marquis and Patricia Haskell, authors of "The Cheese Book," point out, Munster (re-sic) is 'one of the best melting cheese we have.' I can't imagine French Munster being used for this purpose, though it is true that in Alsace it is sometimes spread on slices of boiled potato. I judge that the American cheese has not a great deal in common with the European one except the name. Let it keep its umlaut, foreign though such an adornment may be, to distinguish it from the French prototype, which, paradoxically, also, spells the name with American simplicity, unaccented.

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The 'Kamikaze Look' Is Rising

By Mary Rourke and Jo-An Jenkins
Los Angeles Times Service

LOS ANGELES — A few years ago, the U.S. flag was the butt of fashion humor — pasted all over the rear ends of faded blue jeans. This year, it's Japan that's bearing the brunt. Rising Sun flags, World War II bomber pilots and slogans in Japanese calligraphy are turning up on shirts, miniskirts, bomber jackets and biker boots.

The phenomenon is called the "kamikaze look." It started in London, where Chelsea shop owner Lloyd Johnson got the idea while browsing through a friend's World War II scrapbooks. "It struck me how great all the guys looked. And I thought it would be a laugh to do something on the war in the Pacific, but from the Japanese point of view," Johnson says.

Little did Johnson know when he designed the military spoofs that they would become runaway sellers from the moment they went on sale last December.

Now, on Saturday afternoons, his Chelsea shop is the hottest hangout in town for post-punk kids who want to ride the latest fashion wave. They might wear their bomber jackets appliquéd with "jive pilots" (Johnson's name for kamikaze pilots) on Friday nights to London's little fantasy clubs. This month's favorite seems to be Le Beat Route on Greek Street.

In Los Angeles, Johnson's clothes are selling well at Let It Rock on Melrose Avenue. Shop owner Madeline Taylor says that actors, including Timothy Hutton, as well as Japanese tourists and rock musicians are her best customers. Members of the Pretenders, the Cars and Rod Stewart's band own Kamikaze fashions, she says.

Stewart's guitarist, Wally Stocker, calls the look "extreme" and says it has replaced his leopard-print clothes as the "most radical thing" in his wardrobe.

The clothes are so extreme, says Jim Cregan, another Stewart band member, that he'd never wear an entire kamikaze outfit. His two Rising Sun shirts, he says, are for stage performances only. He'll wear them with jeans or mod-style suits, with a gold-lame smoking jacket or an anise-waistcoat. "We're not as daring in L.A. as people in London," he says.

It's different in Los Angeles. Taylor says, "The attraction here for kamikaze clothes is their bright colors and bold graphics, nor their political images."

Gary Friedman, Los Angeles Times
Applied "bomber" jacket.



Gary Friedman, Los Angeles Times
Rising Sun design.

'Swingers' Swap Views at Meeting

By Jerry Belcher
Los Angeles Times Service

LOS ANGELES — "It don't mean a thing," according to the Duke Ellington classic, "if it ain't got that swing."

Although the elegant Ellington was concerned with matters musical rather than sexual, the tune might well be the theme song of an unusual convention held here over the weekend.

It was the first international convention of, by and for men and women who have chosen the lifestyle some call mate-swapping, and others call a game of musical beds, but which they refer to simply as swinging.

And Robert McGinley, president of the sponsoring North American Swing Club Association, said swinging is a sexual-social alternative that more and more people are choosing.

Swinging, is not just sex," he said. "Swinging began for sexual reasons, but being human we have a tendency once we get together in any number to become very social — it is developing more and more as a social activity."

He described swingers as predominantly upper middle class, mostly WASP, and inclined to humanistic and libertarian views.

Swinging, he said, "demystifies" sex. "But does that take the romance away?" he asked. "Not at all," he answered. "We're not talking about love here. We're talking about a social-sexual activity."

McGinley said that swinging marriages — he claimed about 64 percent of local swingers are married couples — tend to be very stable.

McGinley, who with his wife Geri operates the private Wide World Social Swing Club in a Los Angeles suburb, said his own survey indicates that about 5 percent of Orange County's adult population will be swingers.

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A psychologist with a Ph.D. from the as yet unaccredited Newport University, McGinley presided over the three-day convention.

Cost is \$125 per couple. During the morning and afternoon sessions about 75 men and women, most of them swing club operators, publishers or writers for swing club publications, took part in business sessions and seminars. Some came from as far away as Japan.

They paid \$125 a couple to listen to lectures on such subjects as "The Cosmic Orgasm," "Erotic Swing Wear at Parties" and "The Politics of Sexual Experience."

Then Saturday night, as many other conventions, the big social event went on — the gala Erotic Masquerade Ball, with more than 600 swingers (\$25 per couple) in attendance.

"Party this is because if a couple is going to a swing party, very obviously they have had to talk about it beforehand," he explained. "That means they have enough trust in one another, enough stability in their relationship to deserve such openness. I believe that we get the cream of the crop when we talk about swinging — marriages. . . . Swinging helps us to continue our emotional development . . . helps us mature."

McGinley and his second wife, Geri, have been married 11 years. Between them they have eight children, all by their previous marriages, and all of the children are aware of their swinging lifestyle.

Despite being one of the leaders of the new Swing Era, McGinley said he'd just as soon not be known as "The King of Swing."

"I am not," he said. "I am not a guru. I am an activist in the movement toward the right to be what ever you are."

The Triumphal Tenor

By Henry Pleasants
International Herald Tribune

LONDON — In the foyer of the Royal Opera House, Covent Garden, where Jon Vickers is celebrating the 25th anniversary of his association with the company in six performances of "Tristan und Isolde," there is a photo display of the Canadian tenor in the roles in which he is most vividly remembered.

It's quite a gallery: Florestan, Samson, Otelio, Canio, Parsifal, Peter Grimes, Aeneas, Siegmund, Don Jose, Don Carlos and, of course, Tristan. And it tells a lot about him, or at least it reflects compellingly what has so set him apart from his contemporaries in a generation exceptionally rich in excellent operatic tenors, namely, his art of characterization.

One thinks of other tenors, even the good actors among them, primarily as singers, as spinners of ravishing melodic lines and as purveyors of plangent high notes. One thinks of Vickers, despite a glorious voice, primarily as a man of the theater, whose every movement, gesture, posture and attitude is derived from profound study of the character of the individual portrayed, with every musical phrase shaped accordingly. He has always been a true thespian, not a minstrel, still less a vocal athlete.

His Tristan has long been without a peer, and the first of these performances of "Tristan und Isolde" Thursday night revealed him still, at 55, at the height of his dramatic and vocal art, surviving even the appalling exactness of the third act with resources of voice, body and concentration undiminished.

He is partnered by a cast of conspicuously Commonwealth complexion: Gwyneth Jones (Wales) in her first Covent Garden Isolde; Yvonne Minton (Australia) as Brangäne; Donald McIntyre (New Zealand) as Kurwenal; Gwynne Howell (Wales) as King Marke and Philip Gelling (Isle of Man) as Melot.

It is a performance of consistently high standard, with Jones compensating for some vocal blemishes with a characterization of affecting femininity, and with the Royal Opera orchestra under Sir Colin Davis giving memorably sumptuous and eloquent account of Wagner's lustrous score. Further performances are May 21, 26 and 29 June 2.

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NYSE Nationwide Trading Closing Prices May 17

Tables include the nationwide prices up to the closing on Wall Street.

Market Summary

MAY 17, 1982

Dow Jones Averages

Close Prev.
High Low Div. In \$ Yld. P/E 100. High Low Quot. Class

12 Month Stock

High Low Div. In \$ Yld. P/E 100. High Low Quot. Class

Close Prev.
High Low Div. In \$ Yld. P/E 100. High Low Quot. Class

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12 Month

BUSINESS / FINANCE

TUESDAY, MAY 18, 1982

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BUSINESS BRIEFS

Sony to Introduce Personal Computer

NEW YORK — Sony of America has announced its entrance into the personal computer field with the introduction of a model that will go on sale in the United States in September.

The computer, the SMC-70, weighs about 11 pounds (5 kilograms) and has a memory capacity of 64 kilobits that can be graded up to one megabit, the company said Monday. Sony plans to promote the computer for use in businesses rather than homes. Sony said it plans monthly production of about 1,000 units.

Japan Bank Buys Wells Fargo Share

SAN FRANCISCO — Wells Fargo Bank and Industrial Bank of Japan have confirmed that the Japanese bank acquired about 300,000 shares of Wells Fargo's 22.8 million outstanding shares. Industrial Bank's Los Angeles office said Monday that it had no immediate plans to increase its holdings.

Wells Fargo said Industrial Bank acquired the shares "some months ago" as a portfolio investment after first receiving Wells Fargo's consent.

Genentech, Mitsubishi in Sales Pact

SOUTH SAN FRANCISCO — Genentech and Mitsubishi Chemical Industries have agreed to market the first human blood protein developed through genetic engineering, they said Monday.

Genentech said its scientists produced human serum, or albumin, last year. Mitsubishi will help fund research to perfect the production technique, and will receive exclusive marketing rights in Japan. The companies said they are discussing world sales of laboratory-produced albumin, possibly by forming a joint company.

India Cancels Contract With Davy

NEW DELHI — The Indian government has terminated a contract with Britain's Davy Corp. to build a steel plant in eastern India, a spokesman confirmed.

The spokesman said Sunday that the cancellation came after Davy officials had raised their cost estimate from \$2.8 billion to \$4 billion. But he said talks were continuing on Davy's proposal to supply equipment and provide technical advice.

The plant, to have a capacity of 1.5 million metric tons, was to have been built in Paradip port in Orissa state, but was shifted by the government to Daitari, also in Orissa.

Compiled From Agency Dispatches

Sharp Rise in Funds From U.S. Spurs Euromart Growth

By Carl Gewirtz
International Herald Tribune

PARIS — Despite OPEC's shift from massive supplier to big user of funds, the Euromarket expanded by a substantial \$55 billion in the final quarter of last year, the Bank for International Settlements reported Monday.

The depressing impact on international banking liquidity that many had feared would result from OPEC's shrinking surpluses has been more than offset by a very substantial increase in money funneled to the market from the United States.

"Banks in the United States [were] the largest single source of new funds for the international banking market in 1981," the BIS said. U.S. banks alone "appear to have provided over \$20 billion" in the fourth quarter.

"In addition, deposits by U.S. non-bank entities ... which had already ended by \$23.2 billion in the course of the first nine months of the year, showed another

increase of about \$8 billion," the quarterly report by the BIS stated.

The BIS offered no explanation for the outflow from the United States. But the data would seem to indicate that U.S. monetary policy is not quite as tight as is generally thought and that the pressure on banks' liquidity is not very strong.

The outflow from non-banks would seem to indicate a growing appeal of the market to corporate treasurers seeking to maximize interest income earned on deposits.

Coincidentally, the latest issue of the New York Federal Reserve Bank's Quarterly Review, warns that "unprecedented changes in Eurodollars" can "complicate Fed monetary policy."

It notes that "overseas deposits are growing much faster than domestic money stocks; for example, Eurodollar deposits of U.S. residents not counted in the domestic money supply" aggregates increased more than 35 percent in 1981.

"With this pace of expansion,

the Euromarket could in the future become an important snag in money control and the problems it poses merit closer attention," the Fed cautioned.

Offshore Start Up

The BIS said that the acceleration of U.S. bank funds to the market was "undoubtedly related" to the opening in December of International Banking Facilities in the United States. These IBFs provide the same tax advantages banks would enjoy in offshore areas and are aimed to bring some of their offshore business home where it can be better scrutinized by the U.S. banking authorities.

By contrast, Canadian banks reduced slightly their participation in the market while banks in Luxembourg registered virtually no growth from the end of March, 1981, level. Overall, banks in Europe supplied only \$8.1 billion of new funds in the final quarter compared to \$16.6 billion during the first nine months.

This reversal, the BIS said, "may

help to explain the stronger exchange market performance of these countries' currencies against the dollar in that quarter."

Non-bank deposits from the other countries amounted to \$7 billion, with Swiss residents alone accounting for over half of this amount.

However, the BIS noted, "the inflow of new funds via trustee account with banks in Switzerland slowed in the fourth quarter."

The data showed that OPEC countries took \$5.5 billion out of the market in the fourth quarter through withdrawals and new loans. This left OPEC with deposits of \$16.8 billion and loans of \$72 billion, or a net supplier of \$9.2 billion. By contrast, in March last year, OPEC was a net supplier of \$9.5 billion.

Another point of interest was the marked increase in the net inflow of funds from Eastern Europe, totaling \$2.9 billion in the fourth quarter compared to \$0.4 billion in the third quarter. This was largely the result of a \$3.9-billion

increase in deposits from the Soviet Union, "which appears to have been a heavy seller of gold during the fourth quarter," the BIS said.

Of the total \$27 billion in new Euromarket lending during the quarter, the bulk of it — \$16.9 billion, up from \$11 billion — continued to be directed to the non-OPEC developing countries. Latin America, with \$11.7 billion of new loans, got the biggest share of that.

The increased borrowing was matched by an even larger increase in deposits from the non-OPEC countries totaling \$8.1 billion, up from \$2 billion. The BIS said the increase apparently indicated that some of the countries were borrowing ahead of actual needs to take advantage of lower dollar interest rates and a weaker dollar exchange rate.

Kuwaiti Holding in Hoechst Totals 25%, Bankers Report

By John Tagliabue
New York Times Service

BONN — In a major Arab entry into West European industry, Kuwait has acquired roughly 25 percent of Hoechst, the West German chemical giant, banking sources disclosed Monday.

The sources said Kuwait evidently purchased the Hoechst shares over an extended period of time. Such gradual acquisitions, they said, would enable the purchaser to skirt West German securities laws that require the registration and approval by antitrust authorities of any participation over 25 percent.

Based on Hoechst share prices in recent months, the quoted value of the shares is estimated to be 1.4 billion Deutsche marks.

A Hoechst official in Frankfurt declined to comment on the report. The official said merely that persistent rumors of a major purchase of Hoechst equity by Arab investors had prompted the company to commission an investor survey. The survey evidently revealed an increase in foreign investment from one-fifth to roughly one-third over the last three years.

Further Details

Rolf Sammet, Hoechst's chairman, is expected to disclose further details of the survey, including the Kuwaiti purchases, at a shareholders meeting June 8.

It remains unclear whether Kuwait will request a seat on Hoechst's policy-setting board. Unlike BASF and Bayer, the other big West German chemical companies, Hoechst has no regulations limiting shareholder voting rights.

The acquisition evidently reflects a Kuwaiti interest in cooperating with Hoechst in the area of basic chemical feedstocks. This view was enhanced by reports that Kuwait Petroleum was involved in the acquisitions.

Chemical industry analysts note that while Kuwait and other Gulf oil-producing states have invested heavily in recent years to develop a petrochemical industry, Hoechst has avoided the heavy investments such projects involve, seeking instead to move downstream into more sophisticated chemical products, such as pharmaceuticals.

Manhattan Life rose 1% to 7% after saying it would make a significant business announcement at its annual meeting Tuesday. The firm later said the announcement would involve the formation of an investment management subsidiary.

The Dow Jones industrial average eroded steadily all day and finished off 12.46 points at 845.32. Declines led advances, 1,190 to 350, and volume totaled only a modest 46 million shares, down from 49.90 million Friday.

Analysts said Wall Street may be disappointed that no major banks have yet to lower their prime rate, despite some moderation in the rate of growth of the money supply.

The M-1 measure of the weekly money supply rose only \$800 million in the latest reporting period, less than expected.

But the bond market weakened Monday and the federal funds rate, on overnight loans between banks, remained at the relatively high level of 14% percent, leaving investors pessimistic that interest rates will moderate in the near term.

The Federal Reserve's Open Market Committee is scheduled to meet Tuesday and some traders said Sony had developed digital technology to make television pictures clearer.

group sales last year, to 34.4 billion DM, pretax earnings at Volkswagen's Brazilian subsidiary.

French officials were reportedly upset by the Kuwaiti acquisition. Earlier this year, France reached an unusual agreement with Hoechst evidently under considerable diplomatic pressure from West Germany, to create a significant exception to industry nationalization plans by allowing the West Germans to retain a 51-percent controlling share in Hoechst's French pharmaceuticals subsidiary, Roussel-Uclaf.

Under the agreement, Hoechst's share is to be reduced gradually from 57.9 percent to about 51 percent. The French government, at the urging of the Communist minister for health, Jack Ralif, had sought majority control of Roussel-Uclaf to gain closer control of France's drug industry. French officials were described as deeply upset by the prospect of the Arab en-

try.

This is the second disclosure in recent weeks of an Arab placement of oil-subsidy funds in German-owned concerns, following the acquisition by a Saudi Arabian industrial group of 17.87 percent of IBB Holding, a construction machinery company, for \$38.7 million.

But Kuwait remains the oil-producing country with by far the largest stake in West German industry, with significant minority stakes in the automaker Daimler-Benz, Korf-Stahl, the steel compa-

nies.

sidelines until Wednesday to see if interest rates movements give any clue to policy.

However, Chester Pado of G. Tsai & Co. said the lack of volume during the downturn is a positive development. He termed Monday's trading action a correction to the rally of the last two months that brought the Dow Jones average up some 80 points.

Blue chip, chemical, oil and metal stocks weakened but most of the major price changes were recorded by issues involved in special news situations.

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March 1982

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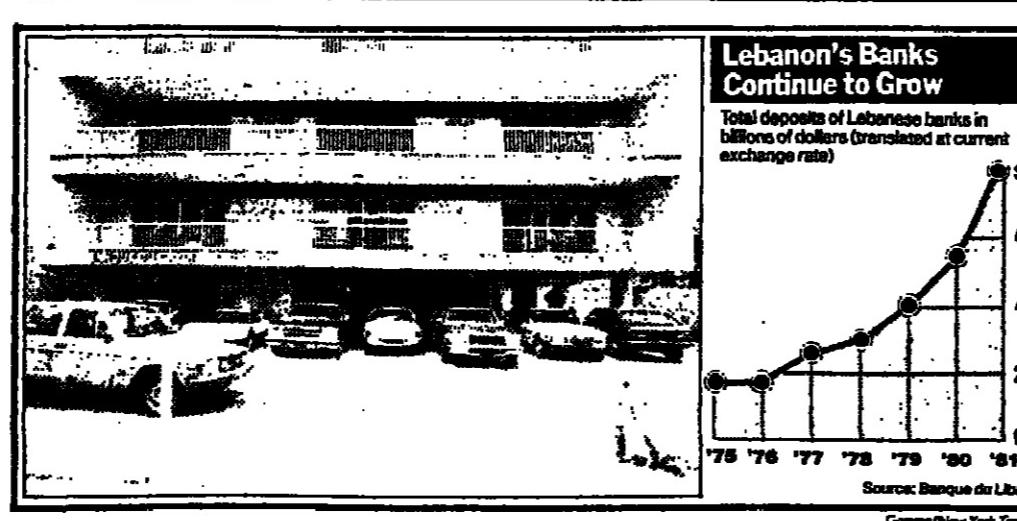
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The Industrial Bank of Kuwait, K.S.C.

Kuwait International Finance Co. S.A.K. (KIFCO)

Kuwait Financial Centre (S.A.K.)



Source: Banque du Liban

Estimated Source: Banque du Liban

Actual Source: Banque du Liban

Projected Source: Banque du Liban

Historical Source: Banque du Liban

Estimated Historical Source: Banque du Liban

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Animal Feed Causes U.S.-EEC Trade Rift

By Clyde H. Farnsworth
New York Times Service

WASHINGTON — A fast-growing animal feed known as corn gluten, a byproduct of fructose, the sugar substitute, has emerged as a cause of serious trade tensions with Europe.

The Reagan administration, reinforced by resolutions from both houses of Congress, has warned the European Economic Community that any efforts to restrict imports of the high-protein feed from the United States would lead to immediate retaliation against products that the Europeans sell in the United States.

At issue is a \$500-million market that American agriculture has carved out in the 10-nation bloc from a commitment the Common Market made in 1967 to levy no tariff on the corn gluten imports. In that year, American sales totaled only \$23.7 million.

Spurred by the demands of Agriculture Minister Edith Cresson of France, the EEC's Executive Commission has proposed to the European Council of Ministers, the bloc's principal decision-making authority, that the zero-tariff commitment be renegotiated and that a variable levy be applied at levels of imports above 3 million metric tons.

Big Sales Rise

Last year's sales amounted to 2.9 million tons, up from 2.5 million in 1980 and only 314,000 in 1967.

Last Tuesday, the House of Representatives, following similar action by the Senate on April 15, overwhelmingly approved a resolution declaring that such a restriction "would be a serious impediment" to relations with the EEC.

"I think, and the Reagan administration agrees, that we have to send a signal to the Europeans," said one of the sponsors, Rep. Paul R. Findley, an Illinois Republican. "Market access for this product was negotiated at the expense of concessions on our part."

Illinois was the source of about 25 percent of the corn gluten feed exported last year. The principal suppliers are Archer-Daniels-Midland and A.E. Staley Manufacturing, both of Decatur. The Senate resolution was introduced by

Charles H. Percy, the Illinois Republican who is chairman of the Foreign Relations Committee.

20% Cheaper

Corn gluten, which derives from the milling process that produces high-fructose corn syrup, is bought by European livestock producers because it is 20 to 25 percent cheaper than European-produced feed grains.

Prices of feed grains are higher in Europe than world market levels because of elaborate price support mechanisms aimed at protecting growers, mainly the farmers of north-central France and Bavaria. The corn gluten is not much used in the United States because it is about 20 percent more expensive than regular corn feed available in the country.

The French argue that the growing use of corn gluten is behind recent grain surpluses, which have to be stocked or exported below the internal Common Market price.

The French have already succeeded in imposing import restraints on another feed grain substitute, manioc, more commonly known as cassava, which comes mainly from Thailand. The EEC Executive Commission negotiated with Thailand an agreement designed to peg imports at 5 million tons a year until 1985, then reduce them.

Case Is Pending

But the case against American imports is still pending. European analysts said that the Council of Ministers was unlikely to act at least until next month's economic summit meeting at Versailles, France.

The United States has attacked the European practice of providing food export subsidies that, Washington argues, have caused the United States to lose markets. In addition, American steel producers have filed complaints charging that imports of European steel are unfairly priced.

In a full-scale trade conflict with Europe, the United States might lose more than it would gain. The United States has had consistent surpluses with the European nations. And half of the overall surplus in trade with Europe is accounted for by agricultural products.

COMPANY REPORTS

Revenue and profits, in millions, are in local currencies unless otherwise indicated.

Australia

| | | | |
|------------------------------------|-------|-------|---------|
| Australia & New Zealand | | | |
| 1st Half | 1982 | 1981 | 1980 |
| Revenue | 1,704 | 946 | 457,780 |
| Profits | 2316 | 216 | 4,221 |
| Per Share | 0.427 | 0.221 | |

Full name of company is Australia and New Zealand Banking Group.

Britain

| | | | |
|--------------------------|--------|--------|-------|
| BOC International | | | |
| 6 Months | 1982 | 1981 | 1980 |
| Revenue | 763.0 | 643.3 | 399.2 |
| Profits | 33.0 | 18.5 | 2.0 |
| Per Share | 0.0767 | 0.0438 | |

1: Per share results of Unilever plc. in Sterling; 2: per share results of Unilever nv, in guilders. All other results in Sterling.

Canada

| | | | |
|-----------------------|----------|-------|-------|
| Dome Petroleum | | | |
| 1st Quarter | 1982 | 1981 | 1980 |
| Revenue | 752.0 | 399.2 | 216.0 |
| Profits | loss 257 | 54.1 | 0.24 |
| Per Share | | | |

1: Per share results of Unilever plc. in Sterling; 2: per share results of Unilever nv, in guilders. All other results in Sterling.

Japan

| | | | |
|---------------------|---------|---------|---------|
| Suzuki Motor | | | |
| Year | 1981 | 1980 | 1979 |
| Revenue | 551,200 | 464,900 | 457,780 |
| Profits | 5,470 | 4,790 | |

Mexico

| | | | |
|---------------------------------|--------|--------|-------|
| Tubos de Acero de Mexico | | | |
| 1st Quar. | 1982 | 1981 | 1980 |
| Revenue | 2,850 | 2,700 | 2,600 |
| Profits | 217.00 | 216.00 | |

United States

| | | | |
|------------------------|----------|-------|-------|
| Amhanson (H.F.) | | | |
| 1st Quar. | 1982 | 1981 | 1980 |
| Revenue | 463.6 | 382.6 | 251.0 |
| Net | loss 2.9 | 2.0 | |
| Per Share | 0.07 | 0.07 | |

Penney (J.C.)

| | | | |
|----------------------|-------|-------|-------|
| Penney (J.C.) | | | |
| 1st Quar. | 1982 | 1981 | 1980 |
| Revenue | 2,440 | 2,250 | 2,510 |
| Profits | 52.00 | 50.00 | 50.00 |
| Per Share | 0.75 | 0.75 | |

CRA Arranges Facility

Reuters

MELBOURNE — The Australian mining company CRA has arranged a \$25.50-million Australian dollar (\$242.92 million) facility to fund development of its Tarong coal project in Queensland, CRA said Monday.

Canada

| | | | |
|-----------------------|----------|-------|-------|
| Dome Petroleum | | | |
| 1st Quarter | 1982 | 1981 | 1980 |
| Revenue | 752.0 | 399.2 | 216.0 |
| Profits | loss 257 | 54.1 | 0.24 |
| Per Share | | | |

1: Per share results of Unilever plc. in Sterling; 2: per share results of Unilever nv, in guilders. All other results in Sterling.

3: Per share results of CRA plc. in Canadian dollars.

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SPORTS

Islanders' Sweep Brings 3d Straight Cup

From Agency Dispatches

VANCOUVER, British Columbia — Mike Bossy scored two power play goals in the second period and led the New York Islanders to their third straight Stanley Cup title with a 3-1 victory over the Vancouver Canucks Sunday night and a sweep of the National Hockey League championship series.

The Islanders became the first United States-based team to win three cups in a row, and they did it by winning their last nine playoff contests and their final seven on the road.

Bossy, the leading goal scorer in the playoffs with 17 in 19 games, paced the four-game rout and earned the Conn Smythe Trophy as the postseason's most valuable player. His seven goals in a cup final series tied the record set in 1956 by Montreal's Jean Beliveau (who scored his seven in five games).

Bossy's offensive effort complemented another superb goal-tend-

NHL PLAYOFFS

ing effort by Bill Smith, who allowed 10 goals in the four games. Smith also won his 15th game of the 1981-82 playoffs, breaking his own mark of 14 set last spring.

It was the New York power play that was the difference in Game 4, both of Bossy's goals following foolish plays by Vancouver. The Islanders, No. 1 in the NHL on extra-man plays during the regular season, scored on eight of 20 opportunities during the playoffs.

At 5:05 of the second period, just as a cross-checking penalty to Darby Rota was expiring, Bossy broke a 1-1 tie by poking a rebound past goalie Richard Brodeur. It was the fourth shot in a rapid-fire sequence that ended with Canucks Gerry Minor and Harold Snepeta playing without sticks.

Precisely three minutes later — after Stan Smyl had put his stick in Stefan Persson's face and was sent off for high sticking — hockey's most potent right wing got his second and goal of the night. Brian Trottier raced down the left side, took Persson's pass with one skate on the blue line and passed cross-ice to Bossy, who loosed a blistering 30-footer.

Trottier wound up the playoffs with 27 points, leading all scorers. His 22 assists established a Stanley Cup record.

Both Goring had given the two-time champions a 1-0 lead at 11:38 of the first period, taking a pass from Denis Potvin and backhanding the puck over Brodeur's right shoulder. Smyl got it back at

18:09, putting in the rebound of his own shot.

But the second period belonged to New York. They outshot Vancouver 12-5, and quieted a noisy, towel-waving throng of 16,413. Had it not been for Brodeur, the score would have been far more lopsided after 40 minutes.

The Islanders became the first

Cannucks an opportunity to test Smith in the third period. Only twice when he stopped Ivan Boldirev's backhander and Ivan Hlinka's wrist shot — did Smith have difficult saves.

"I'm very proud of myself and the way I play," said Bossy, who went through the entire playoffs without a penalty. "This was an intense and rough series, and I'm proud I could play my way. I never tell anyone how to play and I'll play the way I want."

Bossy told the press: "I leave our rating up to you guys."

But goalie Smith was blunt in his assessment of the victory: "If we don't rank with the best teams in history," said Smith, "then I don't know what more we can do."

"We didn't want to give them

any life," said Islanders Bob Nystrom. "We wanted to show that no matter how tough the circumstances we can win it, anywhere — at home or on the road."

"We outworked every other team we met up with the Islanders," remarked Vancouver's Smyl. "We never got a chance against them."

The Canucks, who surprised everyone by storming to the finals after a mediocre season, were simply outmanned. Heart plus ability is hard to beat," said losing coach Roger Neilson. "Their goalie isn't

bad and the rest of their team is super."

"Trottier is the best player in the game today. Bossy is the best scorer. Poirier is the best playoff defenseman and [Al] Arbour is the best coach. They're going to be tough for a long while to come."

New York General Manager Bill Torrey was asked whether the Islanders could surpass Montreal's five straight cups, won from 1956-60. "I'm just thinking about No. 4," said Torrey.

"Otherwise, we can never get to



United Press International

Vancouver defenseman Lars Lindgren did his cross-checking best to keep an irritated Mike Bossy at bay during the first period of Sunday night's fourth game of the Stanley Cup championship.

Youth, Experience: A Hockey Dynasty

By Barry Wilner
The Associated Press

VANCOUVER, British Columbia — A decade ago, the New York Islanders were making the kind of history they'd prefer to forget. Now they've achieved something the hockey world will never forget.

After thrashing the Vancouver Canucks in the Stanley Cup finals, the Islanders stand atop the National Hockey League for the third straight year, the first U.S.-based team to win three consecutive cups and only the third NHL franchise to perform the feat.

The answer: Probably.

Barring injuries and the sudden decaying of Smith in goal, the Islanders are far ahead of the rest of the league. There are many developing challengers, including the Edmonton Oilers, led by the high-scoring Wayne Gretzky, and the Rangers, who seem headed toward competing for hockey supremacy in New York.

But no one has the Islanders' balance, depth or recent winning history. They have youth, they have experience and they have superb management. The NHL's other 20 teams have a long way to go to catch up.

We were the Islanders able to build a dynasty in so short a time?

"We never wavered from our plan to build through the draft," said Bill Torrey, the general manager who has put together a rock-solid ensemble. "We could have taken the easy road and gone for veterans who might have helped us a little bit at the beginning," he said. "But where would we have wound up?"

Instead, Torrey held on to those draft picks and, with the aid of chief scout Jim Deville, used them wisely.

Long Island, along with Atlanta, was granted an expansion franchise for the 1972-73 season. The 17 established NHL teams offered the newcomers "castoffs, misfits and non-players," according to Deville.

In their first season, the Islanders wound up 12-60-6 — the worst record in NHL history. But that finish earned them the top pick in the amateur draft. Trottier chose defenseman Denis Potvin, who would become the on-ice cornerstone of the franchise.

Blossoming Under Arbour

Off the ice, Torrey hired Al Arbour as coach. Arbour, the "defensive man's defensive man" in a playing career that included three Stanley Cup championships, had had a mediocre record as coach of the St. Louis Blues.

But he showed himself to be a patient teacher who got the most out of his players by molding them into the Islander system, predicated on hard work and defense. The team improved to 19-41-18 in 1973-74. It also returned by 100 of the number of goals it allowed; Arbour's emphasis on defense was beginning to show results.

In their third season, with the addition of first-round draft Clark Gillies, the Islanders challenged for a playoff spot, and Torrey secured it when he traded with Minnesota for veterans Jude Drouin and J.P. Parise. The Islanders beat their local rivals, the Rangers, in a best-of-three opening round series, winning the final game on Parise's goal 11 seconds into overtime.

The Islanders then lost the first three games of the next series to Pittsburgh. But they rallied brilliantly, led by goaltender Glenn Resch, and became only the second team to win a cup series after dropping the first three games. They nearly duplicated that feat against Philadelphia in the semifinals but lost to the eventual champions in the seventh game.

It had been a remarkable Islander year, 1974-75, one that seemed to indicate the verge of greatness. But that feeling proved premature.

The 1975 draft failed to yield any players who would help the team. But Bryan Trottier, who had been selected as an unheralded junior in 1974 (when defenceman Dave Langenhan and Stefan Persson also were drafted) and had been allowed to finish his amateur career, joined the Islanders in 1975-76. He became the rookie of the year, but the team lost to Montreal in the cup semifinals.

Trottier wound up the playoffs with 27 points, leading all scorers. His 22 assists established a Stanley Cup record.

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